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THE CONTRIBUTORS

LOWELL DITTMER is Professor of Political Science at the University of California at Berkeley. He is the author of *China's Unfinished Revolution* (1986), *Sino-Soviet Normalization and Its International Implications* (1992), *China under Reform* (1994), and other works.

YU-SHAN WU is Associate Professor of Political Science at National Taiwan University. He is author of *Comparative Economic Transformations: Mainland China, Hungary, the Soviet Union, and Taiwan* (1994). He is currently working on a book analyzing the divergent development of communist regimes in Europe and Asia, and also on a project on post-Deng development in mainland China.

JONAS PONTUSSON is Associate Professor of Government at Cornell University. He is the author of *The Limits of Social Democracy: Investment Politics in Sweden* (1992) and coeditor (with Miriam Golden) of *Bargaining for Change: Union Politics in North America and Europe* (1992).

KURT TAYLOR GAUBATZ is Assistant Professor of Political Science at Stanford University. His research interests focus on the relationship between domestic, and particularly democratic, politics and international relations.

FARHAD KAZEMI is Professor of Politics at New York University. He is the author of *Poverty and Revolution in Iran* (1980) and *Politics and Culture in Iran* (1988), and he has edited several volumes on Middle East politics. He is currently engaged (with Augustus Richard Norton) in a comparative research project on civil society in the Middle East.

EDWARD D. MANSFIELD is Associate Professor of Political Science at Columbia University. He is the author of *Power, Trade, and War* (1994) and is currently conducting research on the effects of democratization on war and on the political economy of economic regionalism.

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ABSTRACTS

The Modernization of Factionalism in Chinese Politics

By LOWELL DITTMER and YU-SHAN WU

The informal dimension has always been important in Chinese politics, due to a traditional bias against legalism and favoring the sentimentalization of personal qualities. We contend that it remains so still, albeit in altered form. Rather than being oriented solely to personal or in-group security, factionalism in the context of the more secure bureaucratic environment of the reform era has come to embrace policy goals and material interests as well. Thus, informal politics proliferates, and factional fortunes tend to fluctuate according to the patterns of China's political business cycle.

In the post-Mao era the radical reformers led by Deng Xiaoping have favored rapid growth, even at the expense of stability. The conservatives surrounding Chen Yun consider stability the paramount goal, believing that it should override considerations of growth. The synchronization of reform and business cycles, plus the appearance of periodic social movements whenever the growth rate slumps, makes reformers and conservatives vulnerable to charges of mismanaging the economy for their respective policy preferences. As long as the business, reform, and movement cycles coincide, wide policy fluctuations driven by a politics of blame are inevitable.

Explaining the Decline of European Social Democracy

THE ROLE OF STRUCTURAL ECONOMIC CHANGE

By JONAS PONTUSSON

Using a number of different quantitative measures, this article demonstrates that variations in the degree of social democratic decline in nine European countries can be viewed in large measure as a product of two structural economic changes: (1) the shift to smaller units of production; and (2) the growth of private nonindustrial employment. The article explores several causal arguments linking these variables to social democratic decline, and it marshals Swedish and British time-series data to show that the distribution of manufacturing employment by production unit helps explain both the rise and the decline of social democracy.

Intervention and Intransitivity

PUBLIC OPINION, SOCIAL CHOICE, AND THE USE OF MILITARY FORCE ABROAD

By KURT TAYLOR GAUBATZ

This article argues that the problems identified in the literature on public choice should critically affect our research on public opinion and our understanding of the impact of public opinion on foreign policy. While a robust literature has emerged around social choice issues in political science, there has been remarkably little appreciation for these problems in the literature on public opinion in general and on public opinion and foreign policy in particular. The potential importance of social choice problems for understanding the nature and role of public opinion in foreign policy making is demonstrated through an examination of American public attitudes about military intervention abroad. In particular, drawing on several common descriptions of the underlying dimensionality of public attitudes on major foreign policy issues, it is shown that there may be important intransitivities in the ordering of public preferences at the aggregate level on policy choices such as those considered by American decision makers in the period leading up to the Gulf War. Without new approaches to public-opinion polling that take these problems into consideration, it will be difficult to make credible claims about the role of public opinion in the foreign policy process.

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MODELS OF IRANIAN POLITICS, THE ROAD TO THE ISLAMIC REVOLUTION, AND THE CHALLENGE OF CIVIL SOCIETY

By FARHAD KAZEMI

This essay reviews six recent books on modern Iranian politics. It suggests that Iranian politics can be analyzed from the perspective of four basic traditions and models: monarchical, liberal nationalist, religious, and leftist. Each model abstracts the essential elements of the political system and demonstrates the dominance of a certain perspective. The first three of these models have been implemented in post–World War II Iran, and even the left has had an impact. The essay concludes by stating that current Iranian domestic politics can be better understood by paying attention to five enduring features: historical continuity of the nation-state, steady increase in state power, persistence of patrimonialism, intense interaction between domestic and foreign policies particularly as it relates to control over oil, and the vitality of civil society even under the Islamic Republic.

INTERNATIONAL INSTITUTIONS AND ECONOMIC SANCTIONS

By EDWARD D. MANSFIELD

Economic sanctions have long occupied the attention of both scholars and policymakers. Despite the widespread use of sanctions, many observers have concluded that the inherent problems associated with imposing sanctions involving multiple senders substantially limit their effectiveness. This article reviews two books that analyze the factors that influence cooperation among senders of multilateral sanctions. These books indicate that international institutions can do much to promote cooperation of this sort. However, this essay argues that the extent to which international institutions facilitate cooperation among senders of sanctions is likely to depend on the domestic politics of members, the type of institution being used for this purpose, the nature of the strategy being pursued, and the distribution of power among members. Although these books make significant contributions to our understanding of the factors that promote cooperation among senders of multilateral sanctions, they examine the factors that promote the effectiveness of sanctions in only a peripheral manner. One potential influence on the effectiveness of sanctions that are organized by an international institution, however, is the likelihood that the institution will be captured by member states or by interest groups within them. Additional research that investigates the conditions under which international institutions are likely to be captured and the implications of institutional capture for their performance may therefore prove useful to scholars of international relations and economic statecraft.

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THE MODERNIZATION OF FACTIONALISM IN CHINESE POLITICS

By LOWELL DITTMER and YU-SHAN WU*

THE informal dimension has always been paramount in Chinese politics. This was the case when Mao Zedong was in command, and it remains the case under Deng Xiaoping, despite all attempts to minimize its impact. It may be argued, nevertheless, that the nature of informal politics has changed significantly in the course of reform. How should we approach this phenomenon? With the People's Republic of China (PRC) moving to a new stage of political development, can we provide an analysis that is valid for both historical periods? These are the questions this paper attempts to answer.

We argue below that just as Chinese politics as a whole has been changing to reflect the economic shift from plan to market, elite factionalism has been evolving as well. Whereas a hybrid model of "partial reform" is best suited to the current Chinese economy, a modified factional model is the most useful analytical tool to understand elite politics in the Chinese Communist Party (CCP) at its present stage of development. Granted this conceptual innovation, not only did factionalism not abate during the post-Mao period, but it may actually have increased. Our most basic modification of the original model is to see Chinese factionalism as concerning itself not only with particularistic group and member interests, but also with economic and other public policy issues. This introduces the possibility of analyzing the relationship between macroeconomic issues in the public arena and factional disputes within the leadership core—an analysis we undertake in the second half of this article.

This change is a concomitant of the shift in the locus of major policy debate in the post-Mao period. We argue that reform united the victims of the Cultural Revolution after Mao's death, making for con-

* The authors wish to thank Richard Baum, Haruhiro Fukui, Peter Lee, Andrew Nathan, Arthur Rosenberg, Susan Shirk, and Dorothy Solinger for their helpful comments on an earlier draft of this paper. Thanks are due to the Informal Politics project funded by the University of California Pacific Rim Research Program, for financial support.

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sensus upon the defeat of Hua and his neo-Maoist faction. But then, in keeping with Riker's minimal coalition principle, the reform coalition disintegrated:[1] within the general reform camp, Deng Xiaoping's pro-growth group came into conflict with Chen Yun's pro-stability group. This friction was caused by mainland China's cyclical developmental path, which was in turn a by-product of the synchronization of the business and reform cycles. It is important to note that this synchronization was contingent rather than a priori: reform is not necessarily correlated with economic expansion, nor retrenchment with contraction. In any case, synchronization exacerbated the intensity of the cycle, subjecting reforms to periodic criticism by the moderates and conservatives for having precipitated inflation, overheating, and other macroimbalances. These critics used the opportunity to rein in reform excesses and purge reformers, temporarily stalling reform momentum.

The first section of this paper evaluates some of the more promising paradigms for conceptualizing informal politics, including both factional and nonfactional approaches, and culminates in a preliminary attempt at synthesis. The second section applies this model to factional behavior during the reform era, in an attempt to demonstrate the dynamic interplay of economic variables and factional political maneuvers. The major purpose of the study is to reconceptualize factional politics to enable factions to pursue policy goals, thus making it possible to map out the relations between factional dynamics and political-economic cycles. As such, we will not go into the details of events but will instead offer a fresh theoretical perspective for analyzing China's new political economy under reform.

Contending Definitions of Informal Politics

Informal politics has been defined in many different ways, usually vis-à-vis formal politics. For Haruhiro Fukui and Shigeko N. Fukai, for example, formal politics attempts to reformulate some existing rules of politics in order to defend and/or advance the collective interests of the group, be it the state or some substate entity, as defined by those in positions of authority.[2] Since formal politics is created to serve public interests, power politics on behalf of particular interests is by nature informal. It can also be the case, however, that an existing formal order fails to satisfy the material or nonmaterial needs of a large number of a

[1] William H. Riker, *The Theory of Political Coalitions* (New Haven: Yale University Press, 1967).

[2] Haruhiro Fukui and Shigeko Fukai, "Informal Aspects of Electoral Politics in Japan" (Paper delivered at the Conference on Informal Politics in East Asia, Hong Kong, August 17-18, 1992).

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group's members, in which situation a parallel informal order is likely to develop. Seen in this way, informal politics is understood as a functional supplement to an inadequate formal order.

Emphasizing the public, altruistic nature of formal politics as distinct from the "background" or "supplemental" nature of informal politics is surely useful in clarifying the distinction, although it begs the question of how to define the group whose interests provide the decisive criterion. Moreover, definition should define the concept not only in terms of what it is not but also in terms of what it is.

Peter Nan-shong Lee takes a Weberian approach to defining the term. For him, formal politics refers to those kinds of political activities that are organized according to the principle of impersonality, whereas informal politics is identified by the elements of face-to-face relationships of either traditional authority or charismatic authority. In addition to the criterion of personal specificity, informal politics is defined in terms of its working relationship to the legal bureaucratic order: informal politics may be either functional or dysfunctional for the organization's formally defined tasks. Exemplars of the functional informal type involve an effective "leadership core" (a Chinese version of the *Führerprinzip*), opinion groups, and a personnel reward system; examples of the dysfunctional informal type are the cult of personality, factionalism, and a spoils system or "independent kingdom."[3] Only the latter, Lee implies, is "factional" behavior.

It is certainly true that formal politics usually appears impersonal, while informal politics often incorporates traditional or charismatic elements. However, there are exceptions to these general rules. The decision to name Lin Biao as the official successor to Mao Zedong at the Ninth Congress of the Chinese Communist Party in 1969 and to write it into the constitution was a formal legal act, but it was also a decision made by dint of Mao's charismatic authority in the overall context of a premortem quasi-dynastic succession struggle. In a society governed by legal-rational principles, as in the West, formal politics normally conforms to these rules and appears objectively impersonal. But in a political system that is essentially traditional or charismatic, such as Maoist China, legal-rational aspects tend to be subverted by the informal political environment. The boundaries of informal politics are thus to some extent coincident with the political culture of the macrosystem and do not accord with Weber's ideal types.

[3] Peter Nan-shong Lee, "Informal Politics and Leadership Succession in Post-Mao China" (Paper delivered at the Conference on Informal Politics in East Asia, Hong Kong, August 17-18, 1992).

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Another way of defining informal politics, as argued previously by Dittmer, is through an understanding of "relationships." According to this conceptualization, there are two types of relationship, the one value-rational and the other purpose-rational. (Although the terms are derived from Max Weber, let the reader beware: Weber was referring to actions, in the context of which, for example, a value-rational act is aimed at the realization of an absolute value; in reference to a relationship, however, it has a quite different connotation.) A value-rational relationship is one that is valued as an end in itself; it is typically built upon various connections (*guanxi*) that include shared kinship ties, common geographic origin, former classmates, teachers, or students, or some other bonding experience. A purpose-rational relationship, by contrast, is instrumental to the achievement of other ends and is formed with those colleagues, subordinates, and superiors with whom one has routine occupational contacts. Whereas the aggregation of one's value-rational connections constitutes an informal power base from which to exert informal power (*shili*), one's occupational or "business" connections together comprise the formal power base from which one can exercise official power (*quanli*). A formal power base is explicit and can be mobilized for a wide range of organizational objectives. However, career officials will be reluctant to rally around a colleague when personal interests are at stake and when the risks of implication are high. They are likely to balance their colleague's requests against various bureaucratic interests. If the affected cadre is to find support under these circumstances, any informal network must necessarily be mobilized at this time. However, one's web of personal connections (although flexible and mobilizable) is more implicit and may fail to rise to the task at hand. To sum up, informal politics is defined in terms of the realm of shili; and formal politics, in terms of the realm of quanli. And the two may interact in various complex ways.[4]

There are two sets of concepts here. Value-rational relationships are to informal political networks and shili politics as purpose-rational relationships are to formal power bases and quanli politics. In each set, the higher-level concept is defined in terms of specific lower-level concepts. Thus, informal politics is defined in terms of informal political bases, which in turn are defined by value-rational relationships. Never-

[4] Lowell Dittmer, "Bases of Power in Chinese Politics: A Theory and an Analysis of the Fall of the 'Gang of Four,'" *World Politics* 31 (October 1978); idem, "Chinese Informal Elite Politics: Toward a Reconceptualization" (Paper delivered at the Conference on Informal Politics in East Asia, Hong Kong, August 17-18, 1992).

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theless, there are apt to be empirically mixed cases, since the relationship between quanli and shili is rather fluid. Shili, an informal political base, may therefore also be built on relatively purpose-rational relationships, as clients enter into reciprocal ties with a patron having personal interests high on their agenda. The other side of the coin is that whereas old comrades-in-arms types of guanxi may constitute important value-rational relationships for a veteran politician's informal power base, a patron may on occasion dispense with such connections—even in such a highly "informal" political power play as the Cultural Revolution, which saw Mao dump much of the Hunanese "mafia" in favor of a new ideologically based coalition of mixed value-rational (for example, Jiang Qing) and purpose-rational (for example, Zhou Enlai) connections. During the current reform era more and more value-rational relationships seem to be turning into purpose-rational ones, with the old ties of the pre-Liberation period either dying out or adapting to the new system of needs.

Another problem is to restrict informal politics to the wielding of shili. It is usually true that (1) in routine bureaucratic politics, an actor will be prone to mobilize his or her formal bureaucratic constituency to fight for interests shared on the basis of similar organizational perspectives (for example, budgetary allocations, jurisdictions, policies) and that (2) in times of crisis, when an actor's own political survival is at stake, one may resort only to the informal alliances that constitute one's political base.[5] However, politicians can and do mobilize their bureaucratic constituencies for purposes of critical self-interest. Mao's purge of Peng Zhen and the Beijing Municipal Party Committee at the onset of the Cultural Revolution and the sweeping purge of the People's Liberation Army (PLA) following the purge of Yang Shangkun in 1992 reveal the close connections between politicians and their bureaucratic constituencies. Similarly, an informal power base can be used to advance formal, bureaucratic interests, as politicians exploit personal connections for their pet projects. The institution of the "expanded conference," apparently unique to China among Communist Party-States (at least nowhere else used on such a scale or frequency), was devised precisely to allow such scope for informal mobilization.

[5] Dittmer (fn. 4, 1978), 33.

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Approaches to Factional Politics

In contemporary China factional politics is the core of informal politics.[6] According to Andrew Nathan, a faction is a vertically organized structure composed of face-to-face (rather than corporate) clientelist ties between leaders and led.[7] Chinese politics is said to be inherently factional in nature, notwithstanding Mao's (not altogether consistent) efforts to put it on a more impersonal footing based upon radical ideology. In a system much like the international balance of power that prevailed in much of nineteenth-century Europe (specifically, from the Congress of Vienna to the fall of Bismarck), there exists a code of civility among elite factions that grants each a right to existence. Tang Tsou, in his famous critique of Nathan's thesis, argues against the assumed ideological consensus and the balance of power, "live and let live," no-win pattern said to prevail in Chinese politics.[8] Tsou asserts that the struggle for power in the CCP has, during most of its history, resulted in the ascendancy of one group or coalition of groups. This debate need not concern us here, as the result of factional politics is not as germane as is the emphasis on factions (for Tsou, informal groups) as the building blocks of Chinese informal politics, a point on which both Nathan and Tsou concur. The point is thrown into sharp relief by Lucian Pye, who finds only the factional model to be adequate for explaining political phenomena in the PRC.[9] Although Pye's psychocultural explanation of the origins of the Chinese factions is still controversial, his emphasis on the pervasiveness of factional networking has been broadly accepted. As Chinese politics proceeded from Mao's radicalism to Deng's reformism, factionalism took on new form but hardly disappeared

Perhaps the single most culturally distinctive component of Chinese factionalism is the clientelist tie. Generally speaking, a clientelist tie in a faction has at least three dimensions: shared attributes, hierarchy, and reciprocity. Reciprocity is the goal, hierarchy the form, and shared attributes the glue. Patron and clients enter into reciprocal relations to exchange patronage and deference/services. The mode of exchange is governed by the relative status of the two parties vis-à-vis each other,

[6] Benjamin C. Ostrov, "Formal Organization and the Birth of Clientage in the PRC: The National Defense R & D Sector" (Paper delivered at the Conference on Informal Politics in East Asia, Hong Kong, August 17-18, 1992).

[7] Andrew J. Nathan, "A Factionalism Model for CCP Politics," *China Quarterly*, no. 53 (1973).

[8] Tang Tsou, "Prolegmonenon to the Study of Informal Groups in CCP Politics," *China Quarterly*, no. 65 (1976).

[9] Lucian Pye, *The Dynamics of Chinese Politics* (Cambridge, England: Oelgeschlager, Gunn and Hain, 1981).

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that is, by establishing a hierarchical tie. Before all this can happen, shared attributes have to be stressed to create a minimally affective bond. It is this bonding process that sets Chinese factionalism apart from comparable phenomena in other countries.

Chinese have been widely described as family- and group-oriented, socially dependent beings, with collectivism seemingly the inevitable outcome. However, this general observation fails to differentiate between relationships inside and outside the familistic structure. Strict rules apply for preordained relationships, such as those between parents and children, and little latitude is left for individual initiative. However, as Ambrose Y. C. King argues, in the nonpreordained realm outside the familistic structure, the Chinese traditional culture allows an individual to be an artful creator of his or her own network of connections, primarily by granting him (or her) the power to define shared attributes with other individuals in a highly selective manner.[10] Kinship ties, native place, dialect, religion, and many other attributes can serve as a basis for group identification. A Chinese can choose the suitable items and expand or contract their boundaries at will to create connections with certain individuals, for mutual advantage. This is called *la* (pulling) *guanxi*. Guanxi can provide backdoor advantages and privileges, and la guanxi is common wherever Chinese live, whether in mainland China, Taiwan, or Hong Kong. Anyone with aspirations to success must learn *guanxixue* (relation-ology). Skillful manipulation of shared attributes is thus the primary basis for building one's network of personal connections, through which favors can be exchanged and personal interests advanced.

With a popular culture of this sort, it is only to be expected that the same mode of connection building will prevail in the political sphere, as the basis of political factions. It really does not matter which shared attribute serves as the minimum affective bond for a given clientelist tie. The point is that Chinese culture offers convenient instruments for forging such ties. This is why Liang Sou-ming asserts that Chinese society is neither *geren benwei* (individual based) nor *shehui benwei* (society based), but rather is *guanxi benwei* (relationship based).[11] To be sure, Chinese have been keenly aware of the drawbacks of a system in which particularistic relations proliferate and penetrate formal institutions that should instead be run according to meritocratic and impersonal criteria. The civil service examination was designed precisely in

[10] Ambrose Yeo-Chi King, "Kuan-hsi and Network Building: A Sociological Interpretation," *Daedalus* 120, no. 2 (1991), 67, 69.

[11] Ibid., 65.

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order to keep the recruitment of public officials immune from particularism (*mianyu renqing*). However, such institutions consume a tremendous amount of social resources, and any lapse in the enforcement of universalistic rules immediately results in a phenomenon called "walking through the back door" (*zou houmen*). Though widely criticized, zou houmen is nonetheless practiced at all levels in Chinese societies. Small wonder that with Mao's revolutionary politics gone, guanxi-based particularism seems to have surged in reformist China.

Whereas we submit that the premium on and even the specific techniques for the establishment of factional bonds are relatively distinctive, neither guanxi nor any other attribute of informal politics can be said to be uniquely Chinese at this early stage of development of comparative political anthropology. Networking, clientelism, and informal mafias are ubiquitous in politics, particularly in less developed systems where formal institutionalization remains at a rudimentary stage of development. Nevertheless, tenacious roots of Chinese informal politics have found more fertile soil in the PRC than in other systems at a comparable stage of economic development, due to the Confucian disdain for legalism, plus nearly a century of revolution that systematically destroyed every attempt at formal institutionalization as being "bourgeois" or counterrevolutionary—culminating in a populist upheaval against the Communist Party-State apparatus itself in the Cultural Revolution. Where else can one find a political system under the undisputed sway of a man who has "retired" from all formal positions?

Nonfactional Approaches

Albeit in the minority, nonfactional approaches to the study of informal politics in the PRC are also to be found. Most prominent among them are bureaucratic models and tendency analysis.[12] Bureaucratic models assign official agencies pride of place in their analyses, assuming that "where you stand depends on where you sit."[13] Bureaucratic leaders compete for greater power, prestige, and financial resources and take policy stances accordingly.[14] They also protect their major constituencies; for example, the PLA reflects the interests of the peasantry from which it draws most of its recruits. This approach seems persua-

[12] Harry Harding, "Competing Models of the Chinese Communist Policy Process: Toward a Sorting and Evaluation," *Issues and Studies* 20, no. 2 (1984).

[13] Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little and Brown, 1971), 42.

[14] Kenneth Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures, and Processes* (Princeton: Princeton University Press, 1988).

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sive in some cases—as in Nelsen's differentiation between central and regional commands in the PLA based on the organizational interests stemming from their respective geographic and organizational positions. Generally speaking, however, it is inadequate: membership identification with formal organizations is not assured, bureaucratic boundaries are not the most salient lines of cleavage, and the low level of institutionalization in Chinese politics reduces the importance of formal bureaucratic agencies.[15]

Furthermore, bureaucratic models can be subsumed by factional analysis in the study of informal politics, in that common bureaucratic ties are among the shared attributes that may provide the basis for a faction. When bureaucracies function according to official rules, they are operating mainly in the realm of formal politics, which need not concern us here. Once bureaucratic officials are mobilized to engage in informal political activities not sanctioned by established rules, the chances are good that personal connections will be invoked and particular interests implicated: factional politics is afoot. It is a common strategy for a Chinese politician to convert his or her bureaucratic constituency into a factional power base, so that an independent kingdom (*duli wangguo*) or a mountain stronghold (*shantou*) is created, wherein interests and loyalties are so tightly bound that "you cannot stick a pin in" (*zhen cha bu jin*), as Mao realized in September 1965, when he tried to force Peng Zhen to criticize (his own vice-mayor) Wu Han for the latter's play *Hai Rui's Dismissal.* In this way, formal bureaucratic organizations serve as trellises that support factions. Institutions then are mere instruments; informal factions are the core.

Another contender in the study of CCP informal politics is tendency analysis, with its emphasis on enduring alternative policy preferences.[16] Both the strengths and weaknesses of this approach derive from its high level of abstraction. Since the focus is on ideas, it can grasp the directions of major contending forces in the political process without risking the uncertainty of identifying the particular leaders or groups promoting such tendencies—information that after all is not advertised. However, this type of hypostatization is also impossible to verify; it is often possible to conceive of a number of different "tendencies" that a given series of political moves might plausibly entail. It also becomes difficult to analyze the support each tendency draws upon, which then makes prediction of the outcome impossible. Another seri-

[15] Pye (fn. 9).

[16] See Harding (fn. 12), 16; see also Dorothy J. Solinger, *China's Transition from Socialism: Statist Legacies and Market Reforms, 1980-1990* (Armonk, N.Y.: M. E. Sharpe, 1993), chap. 2.

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ous drawback of this approach is its assumption that politics essentially involves ideas and the conflict over them; it overlooks the importance of purely personal interests and security considerations. This flaw is fatal for the study of informal politics, where particularistic interests loom large and ideological and policy disputes are often assumed to be tactical facades.

This said, one has to admit that tendency analysis does bring into clearer focus an element that the factional model tends to neglect: a different set of elite goals. Actually, all three approaches—factional models, bureaucratic theories, and tendency analyses—have two basic dimensions: actors and goals. The factional approach assumes the centrality of factions as actors and particularistic interests as main elite goals. The bureaucratic model puts formal bureaucratic agencies at the center and treats resource allocation among them as the major elite concern. Tendency analysis does not specify participants but emphasizes broad policy alternatives as the main motivating forces behind elite actions. Although it is possible in the study of informal politics for factional models to subsume the bureaucratic politics approach (bureaucracies turn into informal factional power bases and interbureaucratic competition over resources turns into factional disputes over allocation), there is no way that the original factional approach can accommodate tendencies. According to Andrew Nathan's definition, factions are composed of clientelist ties through which gifts and services are exchanged.[17] Only personal interests are allowed ambit in such relationships; policy goals are not admitted as a concern of faction leaders or members. This narrowly construed model subjects the whole approach to attacks by those who clearly see the existence of genuine ideological commitments in the CCP's political process, even in the heyday of the Cultural Revolution, when rampant factionalism was the rule.[18] A more realistic factional model should expand the allowable range of elite goals without jeopardizing the basic structure of the model, namely, the guanxi-based, vertically organized reciprocal relationships.

Conceptual Synthesis: A Revised Factionalism Model

A serviceable definition of informal politics should minimally do three things. First, it should encompass the prevailing definitions of the sub-

[17] Nathan (fn. 7).
[18] Harding (fn. 12), 27.

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ject matter in the field. Second, it should distinguish informal politics from formal politics, establishing clear conceptual boundaries as a basis for discerning and analyzing change, mixed cases, and other empirical ambiguities. Third, it should define its subject matter positively—not only in terms of what it is not (that is, formal politics) but also in terms of what it is.

The standard notions of informal politics may be dichotomized as either structures or actions. Structures include various types of informal groupings with the faction at its core; these groupings are assumed to be held together by personal loyalty to a faction patron, as Lee suggests,[19] cemented by various particularistic ties. These ties may on occasion be purpose specific, but the most enduring and politically effective groups will tend to be based on value-rational criteria, simply because in the freewheeling political arena in which they operate the temptations to defect for a proffered side payment and the risks of political destruction are too high for opportunistic ties to cohere for long. Factions may coincide with current bureaucratic affiliation and thereby become an "independent kingdom" (partly because a faction patron will use the nomenklatura system to "pack" clients in available openings), but most factional networks transcend strict bureaucratic boundaries. Even the Peng Zhen grouping transcended the Beijing municipal Party committee (including, for example, Lu Dingyi, chief of the Propaganda Department). Factional networks may also fail to encompass the bureaucratic boundaries, precipitating splits when factionally expedient actions do not accord with official duties (for example, Peng Zhen's small group during the Cultural Revolution included Kang Sheng, a nonfaction member).

Actions pursued in informal politics include conspiratorial maneuvers to effect a coup d'état or some other such political skulduggery, the formation of networks outside or beyond officially sanctioned channels of command and control in order to mobilize political backing for policies in the interests of that faction, and the accomplishment of other tasks or functions not explicitly provided for by formal institutions. In terms of a positive definition, the common element is the pursuit of personal or particularistic ends. This definition accords with the (implicitly pejorative) Chinese vernacular usage, as well as with a fairly widespread Western scholarly consensus, for example, Lee's distinction between systemically functional and dysfunctional practices, or Fukui and Fukai's distinction between collective and personal inter-

[19] Lee (fn. 3).

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ests. Bifurcating the dimensions of action and structure, Figure 1 generates four types of informal group, ranging from bureaucratic politics (a formal group engaged in public actions consistent with its organizational interests) to factionalism (an informal group engaged in self-promoting schemes and plots). There are two intermediate cases: the independent kingdom is a bureaucratic unit that functions like an informal group, essentially because it has been reorganized clandestinely on the basis of factional loyalty; and the opinion group is a faction that does not engage in nefarious activity for the time being, although it reserves the right to do so in the future.

Closer analysis suggests, however, that the distinction between factions and opinion groups is difficult to draw empirically on the basis of either functional or interest criteria. Take succession, for example: is it functional or dysfunctional? It is certainly essential to the survival of the system, but its consequences may be dysfunctional. While no communist regime has devised a reliable means for the transfer of supreme power, the situation in the PRC is arguably the most serious. Thus, whereas the rapid series of successions in the Soviet Union in the early 1980s suggested a certain elite consensus on the proper rules and procedures governing such transitions, no transfer of power in the history of the CCP can be described as smooth. (The cyclical dynamic of CCP succession is not historically unique; in imperial China the lack of primogeniture also generated uncertainty toward the end of each reign.) Lin Biao's conspiracy on behalf of his own family and factional network appears to be a clear-cut instance of factional maneuver, but even this relatively pure case seems to have involved policy issues, such as whether to oppose the Soviet Union, the United States, or both. Similarly, the Liu Shaoqi–Deng Xiaoping "bourgeois reactionary line" was defined as a factional conspiracy during the Cultural Revolution, but no convincing evidence was presented that Liu and Deng conspired to "seize power" or were even personally close; on the other hand, revisions of Party history since the Sixth Plenum of the Eleventh Central Committee (CC) indicate that Mao conspired with Kang Sheng, Jiang Qing, and others to purge Liu, Deng, and their allies. Deng Xiaoping's gradual triumph over Hua Guofeng and the "small gang of four" (namely, Wang Dongxing, Chen Xilian, Wu De, and Ji Dengkui) proceeded through a series of moves plausibly designated at the time as policy reforms. It is not unthinkable that an informal grouping with a policy line may conflict with an informal grouping without such a line, or that the same group may adopt a line and then drop it. These cases show that defining informal politics in general, and factionalism in

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		Action: Universal	Action: Particularistic
Structure	Formal	Bureaucratic politics	Independent kingdom
	Informal	Opinion group	Faction

FIGURE 1
FOUR TYPES OF INFORMAL POLITICS

particular, is a conceptual dead end in terms of identifying actors' purposes. Motives are difficult to ascertain, and in most cases they are mixed.

Because the old distinction between factions and opinion groups was in any case hard to sustain, and because factional behavior has (as we shall see below) in the course of reform ever more obviously engaged in the pursuit of bureaucratic interests and policy goals, we propose the following revised conceptualization, which defines factions exclusively in terms of their structure. In terms of goals, the options are plural. Depending upon ambient political circumstances, factions may have three sets of goals, concerning security, material interests, and ideological and policy commitments. These goals constitute a natural hierarchy: security is the top priority, material interests are second, and ideological and policy preferences are last. Factional models, in the narrow sense of the term, were most applicable to the turbulent politics of the Cultural Revolution.[20] At that time people fell back upon personal connections willy-nilly, to defend their careers and lives.[21] It is this observation that prompted Lucian Pye to emphasize the paramount role of Chinese cultural and psychological security drives in bringing about rampant factionalism. From our point of view, the Cultural Revolution made security (both political and physical) a truly

[20] Harding (fn. 12), 30; see also Frederick C. Teiwes, "The 'Rules of Game' in Chinese Politics," *Problems of Communism* 28, no. 5-6 (1979).

[21] See Joseph W. Esherick and Elizabeth J. Perry, "Leadership Succession in the People's Republic of China: Crisis or Opportunity?" *Studies in Comparative Communism* 16, no. 3 (1983), 176; and William L. Parish, "Factions in Chinese Military Politics," *China Quarterly*, no. 56 (1973).

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scarce commodity for CCP elites, and it was only natural for them to orient their factional activities toward a quest to maximize it, as that goal was at the top of their value hierarchy. Of course, in the appropriate organizational context elites did discuss policy issues that affected bureaucratic interests differentially, but factions per se remained disengaged from the policy process. Yet bonds formed in situations of high stress tend to hold thereafter. Hence, even when security becomes less of a concern, factional politics will not suddenly be replaced by bureaucratic politics or even by opinion groups; instead, the existing factional groupings will reorient their agendas toward goals that are at a lower level on the elite value hierarchy. Thus, under Deng's reformist policies, Chinese factionalism expresses itself mainly in the competition among elite groups for resources and material benefits (contributing greatly to official corruption [guandao]) and for competing policy alternatives (pro-growth or pro-stability, for example).

This revised model helps explain the spread of factionalism. Indeed, despite a consistently hostile official view throughout the Mao and Deng eras and despite Deng Xiaoping's forceful (and to a certain extent successful) efforts to construct strong institutions and legal systems, we find that the realm of informal politics actually expanded during reform. There are several reasons for this, one of which concerns Deng Xiaoping's apparent personal ambivalence about his own retirement (he had to mobilize his own factional network to undo previous formal arrangements). But perhaps the following are the two most important reasons. First, Deng Xiaoping's successful effort to introduce greater civility to CCP elite politics has reduced the salience of the personal security incentive for the creation of a factional base. This has allowed divergent bureaucratic interests or even personal policy preferences to play a greater role. Moreover, greater civility of course also implies higher tolerance for factional opposition. Second, despite having urged periodic ideological crackdowns, Deng's greatest single contribution to official ideology (Marxism-Leninism Mao Zedong Thought) has been to infuse it with greater pragmatism: white cat, black cat, if it catches rats, it's a good cat; crossing the river by groping for stones; and so forth. Mao's attempt to eliminate factionalism by demanding universal adherence to radical ideological tenets, already rendered impractical by the ideological cleavages of the Cultural Revolution, was further attenuated by Deng's dismissal of ideology from a wide range of policy issues. The lower salience of ideology allows wider ambit for factional recruitment and maneuver.

The upshot is that factions have successfully adapted to the chang-

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ing policy landscape of economic modernization by broadening their goals and participating in policy debates with increasing self-assurance. Given its base in personal guanxi, a faction can renegotiate its stance on policy issues with great tactical flexibility, as Deng demonstrated in his sudden reversals on Democracy Wall in February 1979 or on price reform in the summer of 1988. Yet factional goal displacement is partial and tentative, as survival remains the sine qua non, and it is the career interests of the patron rather than the logic of material and ideal group interests per se that may be expected to dictate policy preferences in the crunch. This was most clearly illustrated by the fragmentation of the "reform faction" in 1986–89 over the conflicting personal interests of Deng Xiaoping, Hu Yaobang, and Zhao Ziyang. In the context of a partially reformed political economy, it is not surprising that factions have undergone only partial transformation to bureaucratic politics.

Factionalism under Reform

Political factionalism has assumed different forms at different stages of political development in the CCP. One sees from numerous historical cases a whole range of political factions that are built on certain institutional bases but nevertheless have a life of their own. Thus, we have

—the "returned students" of the 1930s (the twenty-eight Bolsheviks)
—Zhang Guotao's "separatists"
—Xiang Ying's New Fourth Army group in central China during the war against the Japanese
—the four field-army military factions
—the Gao-Rao group in the 1950s
—the Peng-Huang-Zhang-Zhou clique at Lushan in 1959
—the "white-area" associates of Liu Shaoqi
—the Lin Biao faction that attempted the 1971 *wuqiyi* ("571," a coded homonym for "armed uprising") coup against Mao
—the Gang of Four
—the petroleum faction
—Hu Yaobang's protégés based in the China Youth League
—Zhao Ziyang's "graduate students" in the reformist think tanks
—the military faction centered around Yang Shangkun and Yang Baibing after the June 4 incident

Informal politics first metastasized during the Cultural Revolution, as Red Guard factions and their elite sponsors vied to fill the vacuum left by the temporary collapse of the party-state. Reform in the post-Mao era did not eliminate factionalism, though it tried. On the contrary,

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factions continued to proliferate, taking a form that best suited the prevailing atmosphere. In the past, power struggle for survival (both political and physical) was the main task. Politics qua security was "in command." Under Deng, by contrast, when a deposed Hu Yaobang can stay on in the Politburo until his death and a denounced Zhao Ziyang still seems to hold a bargaining position on his possible future appointments, factions are more oriented toward enhancing group and member interests and pursuing desirable policy alternatives. With reform came a change of task for political factions and new opportunities for factional politics to proliferate with improved chances for attaining legitimacy.

Nothing can demonstrate the dominance of informal politics better than the gerontocratic politics of the late 1980s. Deng, the master politician, managed to put his favorites in leadership posts while creating titular positions for his retiring old comrades. The price was that he himself had to lead the way, and the protégés of other veteran politicians were given secondary positions alongside Deng's designated successors. Deng remained primus inter pares among his peers, as did his protégés vis-à-vis their peers. In 1987 the elders finally retired formally from the Politburo but nonetheless retained ultimate control and made selective interventions either when so requested by the frontline leaders or when they themselves deemed it necessary. The formal leadership core, the Politburo Standing Committee, is thus overshadowed by a group of octogenarians who hold only titular positions or no official positions at all. This pattern of remote control is wholly informal, and the patron-client relationships between the first and second leadership "fronts" (*zhanxian*) typically factional. Thus Jiang Zemin was beholden to Deng Xiaoping, Li Peng to Chen Yun, Hu Qili to Hu Yaobang and then Zhao Ziyang.[22] The pattern seems to be continuing after the Fourteenth Party Congress, with Hu Jintao emerging as heir to retiring Organization Department chief Song Ping (also with ties to Deng, through Deng's son Pufang), Wei Jianxing as Qiao Shi's chosen replacement on the Central Disciplinary Inspection Committee, and Zhu Rongji, as Deng's latest favorite and chair of the new Economic and Trade Commission, in a strong position to challenge Li Peng. The patriarchal leader Deng Xiaoping was officially merely one of 1,991 delegates to the Fourteenth Party Congress, without any leadership position aside from chairing the China Bridge Association, yet he is

[22] Lowell Dittmer, "Patterns of Elite Strife and Succession in Chinese Politics," *China Quarterly*, no. 123 (1990), 410.

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the most powerful person in the country. His mortality determines the fate of 1.2 billion Chinese.

By acknowledging that factions remain the major building block of PRC politics, albeit with expanded goals, we can proceed to map out the patterns of interaction between factional dynamics and shifts in China's political economy. In general terms, we see policy as the result of factional maneuver. The outcome of the policies then feeds back to have an impact on the resources at each faction's disposal. This causes shifts in the distribution of capabilities among factions and a different balance of power. Factions thus alternate at holding the center of power, which results in a continuous feedback process that alters old policies and initiates new ones.

In more specific terms, the ruling faction tends to defend its record by pointing to the positive results of its economic and political policies, while the factions not in power stress the defects of those policies. The politicoeconomic reality, however, strengthens the position of certain factions at the expense of others. If the policy outcome is by and large positive, the ruling faction's position is strengthened. If the outcome is negative, power may very well migrate to the opposing faction, which will now take the lead in changing the old policy or initiating new ones. Because this is an ongoing feedback process, it is impossible to determine the ultimate cause of the changes in the political economy. Our primary interest, however, is to identify the patterns of interaction between factional politics and changing currents in the political economy (see Figure 2), but before that can be done, we need to capture the essence of the economic and political changes in post-Mao China. For that purpose, we find three economic and political cycles to be of particular importance.

Business, Reform, and Movement Cycles

A cyclical dynamic has emerged in China's political economy in the post-Mao period. Three kinds of cycles are of particular interest to us: the business cycle, the reform cycle, and the movement cycle. The business cycle consists of two distinctive phases: boom and bust.[23] The reform cycle likewise has two stages: reform and retrenchment. The movement cycle registers periods of relative social tranquillity and those characterized by bursts of protest. Of particular importance here is the need to differentiate between economic expansion and structural

[23] Ibid., 420.

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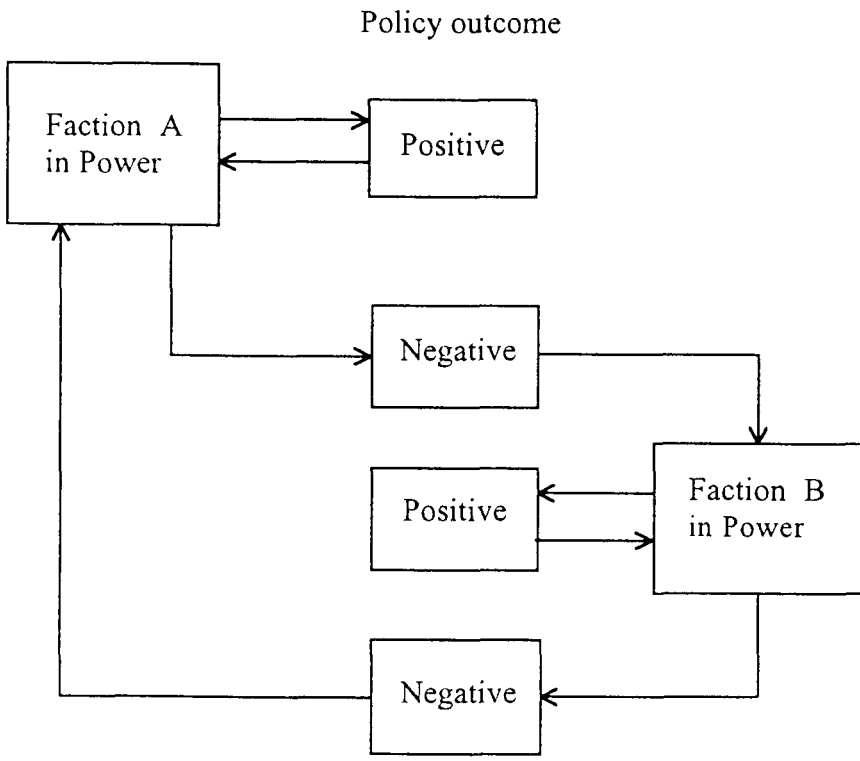

FIGURE 2
CHINA'S FACTIONAL POLITICS AND POLICY CYCLES

reform, since they do not necessarily coincide. For example, as Susan Shirk demonstrates, during the Maoist era economic expansion was accompanied by a crackdown on political dissent and by a contraction of consumption, whereas the economic retrenchment phase of the cycle (for example, 1960–62) was accompanied by political and intellectual liberalization.[24] Similarly, Hua Guofeng's Ten-Year Plan was a pro-growth strategy unaccompanied by economic reform or intellectual liberalization. The reason is that ideological policy was used as "symbolic compensation" to various constituencies that might otherwise have opposed the economic policy being promoted.

By contrast, the synchronization of the business and reform cycles in the 1980s correlates economic expansion with reformist measures,

[24] Susan Shirk, *The Political Logic of Economic Reform in China* (Berkeley: University of California Press, 1993), albeit in an earlier draft that excluded the portions cited above.

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and contraction or slower growth with retrenchment. This renders reformers vulnerable when the economy overheats, and conservatives subject to criticism when growth is sluggish. A policy shift thus ensues at the critical juncture (when the economy is overheated or stalled), and the cycle begins to move in the opposite direction, until it hits a point where another shift is required. The explosions of social unrest are less predictable, but recent experience suggests they are most likely to occur when the economy has just suffered from overheating and is undergoing a painful contraction to slower growth.[25] This timing is bad for the reformers, who are held responsible for inflating the economy and precipitating the ensuing contraction, both of which combine to inflame social protest (see Figure 3).

Since the early 1980s the PRC's business cycles have coincided quite closely with its reform cycles. This was not the case at the end of the 1970s, when Deng inherited from Hua an investment-driven, high-growth economy (industrial growth surged to 14.6 percent in 1977 and 13.5 percent in 1978; the accumulation rate rose to 36.5 percent in 1978) and a Soviet-style central planning system, as embodied in Hua's ambitious Ten-Year Plan launched in February 1978. Hua's rather ill-conceived plan involved contracts with foreign manufacturers and suppliers that were worth several hundred million U.S. dollars in 1977–78; it threatened an enormous budget deficit. Deng and his radical reformers then joined forces with moderate reformers under the aegis of Chen Yun to attack Hua's legacy. Investments and imports were slashed to bring down trade deficits and a rising inflation rate, while experimental reform measures were tried (such as the 1983 "tax for profits," or *li gai shui*). In this instance the business cycle and the reform cycle diverged (contraction-cum-reform). The efforts to cool down the economy were not successful when they were first introduced in 1979, in the name of "readjustment, restructuring, consolidation, and improvement." Hence the high inflation rate of 1980 (6 percent compared with 2 percent in 1979). But in 1981 state enterprise capital investment was actually cut to reduce inflationary pressure and trade deficits, including rescission of about a thousand joint-venture con-

[25] If we calculate the frequency of social protests, including strikes, demonstrations, etc., as reported in the Chinese newspapers, and compare it with the inflation rate, we find a striking correlation. From 1980 to 1993 the correlation coefficient between the frequency of social protests and inflation rate in the PRC is 0.728. If we take the two variables in their natural log forms, the correlation coefficient rises to 0.747. Since the Chinese economy responded only slowly to contractionary policies, overheating was usually followed by a painful period of sustained high inflation plus slower growth. Social protests were most frequent in this context. Our findings on the relationship between frequency of social protests and rate of inflation lends support to this observation.

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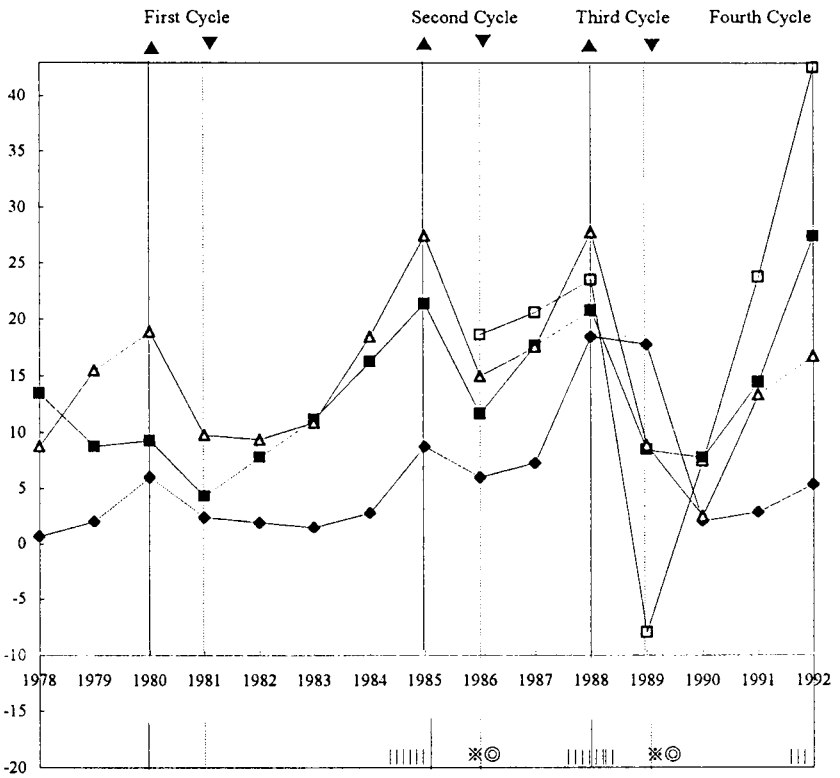

FIGURE 3

BUSINESS, REFORM, AND MOVEMENT CYCLES IN POST-MAO CHINA

SOURCES: *Zhongguo tongji nianjian* (China statistical yearbook) (Beijing: Remin chuban-she, 1993), 51, 53, 237, 611; Chong-pin Lin, "China: The Coming Changes," *American Enterprise*, no. 2 (1991), 21; Cheng Te-sheng, "Shih-szu ta hou ta-lu ching-chi ch'ing-shih," *Mainland China Studies* 36, no. 1 (1993), 37.

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tracts (for example, the huge Baoshan case). As a result imports dropped by 12.4 percent in the following year, which brought about the trade surpluses of 1982–83—not to be seen again until the end of the 1980s. In 1981 the annual growth rate of the wage bill and the average wage were also down by 13.4 percent and 12.8 percent, respectively, and industry grew by a mere 4.1 percent, as compared with the previous year's 8.7 percent.

Hua's economic legacy and political influence were effectively eliminated during the early 1980s (as finalized at the Twelfth Party Congress in 1982), as adjustment policies were accompanied by scattered reform measures. At this point, the linkage between reform and high growth or between planning and contraction/sluggish growth had not yet been established. The reformers under Deng and the moderates under Chen Yun basically saw eye to eye in halting Hua's "Great Leap Westward" (*yang yao jin*) in the cooperative spirit of post–Great Leap Forward readjustment orchestrated by the same Deng and Chen.[26] In short, in this first post-Mao period, a Hua-initiated boom was curtailed by a Deng- and Chen-led bust (see Figure 3) during which partial reform measures were tried out. The business cycle and the reform cycle were not yet synchronized.[27]

What split the reformers was the wave of urban-industrial reform launched at the Third Plenum of the Twelfth CC in October 1984, as urged by Deng and Zhao. This program synchronized systemic reform and expansionary policies for the first time. The crux of the matter was a wage expansion,[28] as the reformers tried to head off labor unrest in anticipation of the effects of price liberalization. As a result, both consumption and investment surged in 1984, accompanied by a loose monetary policy (the state pumped into the economy 26.2 billion yuan [then officially valued at 5.5 to the dollar], more than the total money supply of the preceding thirty years). The economy boomed while reform policies were being implemented. The two curves (the business cycle and the reform cycle) began to converge. Again, this synchronization was by no means inevitable, as clearly shown by the reform experience of Hungary between 1968 and 1972 (the New Economic Mechanism), which deliberately implemented tight wage controls

[26] Yin I-Ch'ang, "Ts'ung li-shih kuan-tien k'an ching-chi t'iao-cheng" (Economic adjustment viewed from a historical perspective) (Paper delivered at the Eleventh Sino-American Conference on Mainland China, Taipei, July 1982).

[27] Chong-Pin Lin, "China: The Coming Changes," *American Enterprise*, no. 2 (1991), 21.

[28] Hua Sheng, Zhang Xuejun, and Luo Xiaopeng, "Zhongguo gaige shinian: huigu, fansi han qianjing," *Jigji Yanjiu*, no. 9 (1988), 32.

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while marketizing the economy.[29] In fact, price reform should be implemented when the economy is lax. But as things stood in 1984 and 1985, with industry growing at a rate of 16.3 percent and 21.4 percent, respectively, state investment by 25 percent and 43 percent, and the wage bill by 20 percent during the same two years, overheating was inevitable. The radical reformers were naturally criticized for mismanaging the economy. Serious policy differences gradually emerged between Deng, who favored growth above all, and Chen, who considered stability the paramount goal. All the ingredients for cyclical development were now in place (see Figure 4).

Since reform coincided with macroinstability (inflation, trade deficit), the conservatives under Chen demanded retrenchment, a "birdcage economy." Marketization reform was placed on hold. At the same time, tight monetary and fiscal policies were undertaken to restore stability in 1986. The business and reform cycles simultaneously moved in a direction opposite to that of 1984 and 1985. The effects of contractionary policies began to appear in 1986, as imports grew by a mere 1.6 percent (compared with the 54.1 percent of 1985), industry by a moderate 8.8 percent (from the 18 percent of 1985), and the inflation rate dropped from 8.8 percent to 6.0 percent. The austerity measures this time were less successful than in 1981, as witnessed by the 8.1 percent real-term average wage growth. But clearly the regime had done its best to cool down the economy.

Toward the end of 1986, a tight economic situation was accompanied by lively debate on political reform. In the spring both Hu and Deng made public statements suggesting that they were offering their reform constituency the prospect of political reform as symbolic compensation for economic retrenchment. The intellectuals responded with imaginative proposals, and the movement cycle began to kick in. University students began to demonstrate for various political and economic causes, utilizing the opportunities presented by various anniversaries and other public rituals to mobilize. At this point the reform grouping split. The lenient attitude taken by Hu in handling these demonstrations cost him his political life, as Deng, his patron, sided with seventeen members of the Central Advisory Committee to remove him from the position of general secretary at an enlarged Politburo meeting in January 1987. We have here a wave of social unrest just as the economy, having experienced macroinstability, had moved from boom to bust. Reform seemed to be bringing about not only an

[29] Yu-Shan Wu, *Comparative Economic Transformations: Mainland China, Hungary, the Soviet Union, and Taiwan* (Stanford, Calif.: Stanford University Press, 1994), chap. 3.

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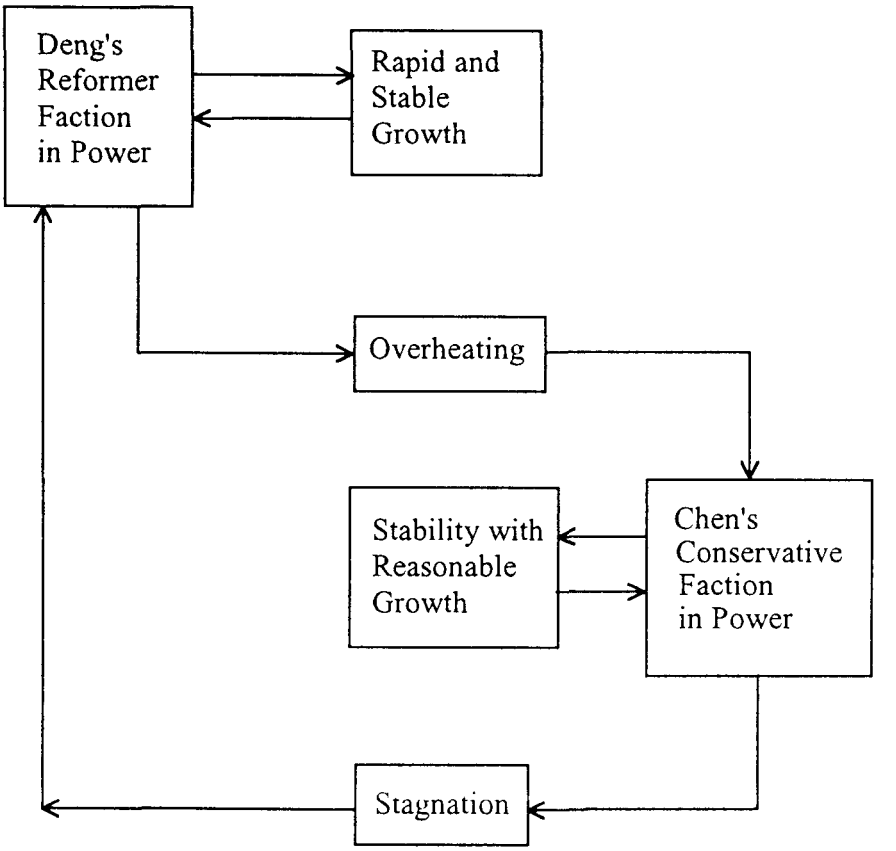

FIGURE 4
CYCLICAL DEVELOPMENT IN THE PRC'S POLITICAL ECONOMY SINCE 1984

overheated economy but also political turbulence. This period of "anti-bourgeois liberalization" in the spring and summer of 1987 exhibited conservative trends in the economic and political spheres. In short, in 1986 both the business cycle and the reform cycle took a sharp downturn, which was exacerbated by the political turbulence at the end of that year. Deng adopted his now characteristic posture as economic radical and political reactionary, consigning "bourgeois liberals" to political oblivion.

Since high growth is the paramount consideration of the leading reformist faction under Deng, one would expect expansionary policies to be taken once stability had been achieved. This was the case in 1987–88, when the radical reformers rallied around Zhao Ziyang, Hu's

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successor, as designated by Deng, to pursue ownership reforms in industry, foreign trade, and investment and also finally a major price reform. All economic indicators went up. Industry grew by 17.7 percent in 1987, and another 20.7 percent in 1988, while inflation rose by 7.3 percent and 18.5 percent in the same two years (despite an abortive two-tights policy—*shuangjin zhengce*—in the autumn of 1987 that attempted to halt the trend).

Again, reform was accompanied by expansion and, soon enough, overheating. By the fall of 1988 the inflationary situation as touched off by a badly timed price reform got so bad that the reformers were forced to reverse course. As in the last cycle, reform measures were blamed for macroinstabilities, and austerity-cum-retrenchment (*zhili zhengdun*) took command. Both the business cycle and the reform cycle went into a tailspin. In the following year, sparked by Hu's death, economic hardship and popular discontent over political suppression and official corruption brought about unprecedented social unrest. This culminated in the confrontation between student demonstrators and the Communist Party, and finally in the bloody suppression near Tiananmen Square on June 4. Again just as in the last cycle, radical economic reform was blamed first for economic instability and then for political turbulence. This time Zhao was removed (again, following the pattern of 1987). His patron abandoned him for the conservatives, using irregular procedures and intervention by the octogenarians, at an enlarged Politburo meeting in June 1989 (followed this time by convention of a CC plenum that displayed greater sensitivity to constitutional niceties).

Zhili zhengdun lasted for three years. Such a protracted period of austerity was needed to combat the worst macroimbalances since the start of reform in the late 1970s. The inflation rate soared to 17.8 percent in 1989 (25.5 percent for the first half of the year). The country's foreign indebtedness reached U.S.$41.3 billion at the end of 1989. Approved foreign direct investment dropped by half from the third quarter of 1989 to the first quarter of 1990. Foreign exchange reserves dropped to the 1987 level. However, the outward economic strategy initiated by Zhao in 1988 successfully oriented China's coastal economy toward export expansion, and the trade imbalance was redressed as exports surged and control over imports was recentralized and tightened. The PRC was able to achieve a trade surplus of U.S.$8.7 billion in 1990, for the first time since 1983: foreign exchange reserves jumped from U.S.$17 billion at the end of 1989, to U.S.$28.6 billion at the end of 1990, to U.S.$40 billion in the third quarter of 1991.

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However, zhili zhengdun had its cost: the economy actually stopped in the first quarter of 1990. Thus, retrenchment was again paired with a bust. Although from a strictly economic perspective this period would have been ideal for price reform, that was not on the conservative agenda. The reform cycle and the business cycle remained synchronized.[30]

Deng and the radical reformers soon grew impatient with the sluggish growth,[31] though the trade performance had been much improved, accruing foreign exchange reserves of nearly U.S.$43 billion by February 1992. In the winter of 1990-91 Deng formed an alliance with Shanghai Party Secretary Zhu Rongji and launched a propaganda drive for economic reform in Shanghai (the "Huangfu Ping" articles in Jiefang Ribao). At roughly the same time, in the third quarter of 1990, industrial growth accelerated significantly.[32] This attempt to stimulate another boom fizzled out, however, partly because the unsuccessful August Soviet coup attempt followed by the collapse of the Soviet Union temporarily reinforced conservative misgivings about reform. But one year later Deng's adroitly publicized tour to Wuchang, Shenzhen, Zhuhai, and Shanghai ushered in a new wave of reform measures, again accompanied by a loose monetary and fiscal policy (the narrower monetary index, M1, is estimated to have grown by about 40 percent in 1992, M2 by more than 30 percent). The economy grew rapidly in 1992 and 1993 (by 12.8 percent and 13.4 percent, respectively, versus 4 percent in 1989 and 4–7 percent in 1990–91), mainly driven by an investment boom, which again raised the specter of inflation (officially 3.4 percent in 1991, 6 percent in 1992, 14.5 percent in 1993, but 19.5 percent in the thirty-five largest cities). For a while it seemed that this time the leadership had contrived a way to avoid the twin deficits, thanks to the shift to export promotion and more rigorous fiscal policies. But by 1993, as in 1979–80, 1984–85, and 1987–88, a surge in merchandise imports (plus the flight of capital through Hong Kong) had precipitated a trade deficit of more than U.S.$12 billion. This led to a spiraling budget deficit (U.S.$2.35 billion, four times that of 1992), which China's Finance Ministry expected to triple (to U.S.$7.7 billion) in 1994.

[30] Yu-Shan Wu, "Reforming the Revolution: Industrial Policy in China," *Pacific Review*, no. 3 (1990).

[31] Deng Xiaoping, "Deng Xiaoping tongzhi zai Wuchang, Shenzhen, Zhuhai, Shanghai dengdi de tanhua yaodian," in Zhonggong Shenzhen shiwei xuanchuanbu, ed., *Yijiujiuer nian chun: Deng Xiaoping yu Shenzhen* (The spring of 1992: Deng Xiaoping and Shenzhen) (Shenzhen: Haitian chubanshe, 1992).

[32] Fang Xiangdong, "1988-1991 nian zhili zhengdun guigu ji dui weilai jingji yunxing de zhanwang," *Jingji lilun yu jingji guanli*, no. 6 (1991), 1-8.

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Clearly China has moved into yet another boom phase in its business cycle. And, as in the past, this seems to benefit the reform faction in the short term. The synchronization of reform and expansion, however, bodes ill for them in the long run, as reformist policies are apt to be held responsible for overheating the economy as double-digit growth continued in 1993–94. In order to bring inflation under control, Zhu Rongji sacked the governor of the People's Bank of China in July 1993 and took over the job himself. Then the "great rectifier" issued a sixteen-point austerity program designed to control government spending, restore control of the economy to Beijing, and impose a tight monetary policy in several industries, notably real estate. This macromanagement of the economy (*hongguan tiaokong*) lasted three months, temporarily halting the tendency toward overheating. However, Zhu's austerity program was then unexpectedly curtailed in November 1993, at the Third Plenum of the Fourteenth CC, which adopted a fifty-point "program of action to restructure the economy," focusing on tax reform and state-owned enterprises.[33] This proved to be the harbinger of both a revival of structural reform and a mounting reflation of the economy, from 19 percent in January to 23.5 percent in August 1994. The main cause of the surge in demand was quite like what had happened in the previous cycles, that is, an investment boom, fed mainly by the state enterprises under soft budget constraint. As such, macromanagement can only delay the inevitable dilemma: does the leadership impose a "landing," probably "hard," with all the risks of another Tiananmen, or does it opt to endure an indefinite continuation of the current trends: high growth, inflation, and corruption?

Conclusion

This paper basically argues two points. First, Chinese informal politics can still be best characterized as factional politics, with the proviso that the original definition of factionalism be broadened with respect to elite goals. Factions avail themselves of the window of opportunity opened in a more ideologically pragmatic political climate to pursue policies that both enhance their particular interests and make a plausi-

[33] The usual interpretation of this retreat from austerity is that Zhu made many enemies, alienating fellow reformers with his Chen Yun-like stance and infuriating vested interests (e.g., the provincial authorities, the PLA) by choking off credit. Thus, in talks with intimates in September 1993, Deng Xiaoping himself reportedly called for another season of "sustained, high-speed, and healthy growth," and Zhu was obliged to ease credit by approving loans worth about $62 billion for the last quarter of 1993. Much of the new credit has been used to pay the salaries of workers and civil servants. Willy Wo-lap Lam, "Zhu Rides Out the Storm," *World Press Review* 41, no. 2 (1994), 43ff.

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ble claim to advance the public interest. Nevertheless, we retain the main thesis of the approach: that guanxi-based, vertically organized, reciprocity-oriented political factions are the building blocks of Chinese informal politics. Factions can be used to promote different sets of elite goals, the most prominent of which are security, material interests, and ideological and policy commitments. At times of intense intraparty struggle, when fundamental personal security is not reasonably assured, factions are geared to security maximization, as during the years of the Cultural Revolution. As politics becomes more routinized and economic reform takes command, factions assume different form and serve the elite's desire for material benefits or preferred policy goals (whether pro-growth or pro-stability; whether radical reformers aiming at privatization or moderate reformers aiming only at marketization). Meanwhile official ideology becomes more pragmatic and open-ended, allowing informal groups to make a plausible case that their policy preferences correspond to the public interest. Chinese informal politics remains factional in the sense that factions are the units of action, but not in the sense that ideology or security politics continues to dominate the political scene.

The second major point is that during the post-Mao period, Chinese factionalism centered on broad policy issues (while also promoting personal material interests, which unites various factions in support of Deng's open-door policy and breeds guandao). Again, the debate is between economic growth and economic stability under reform. On the one hand, Deng's radical reformers favor rapid growth, even at the expense of stability. On the other hand, the moderate reformers around Chen Yun consider stability the paramount goal (*wending yadao yiqie*), even overriding considerations of growth. The synchronization of reform and business cycles, plus periodic social unrest whenever the growth rate slumps, makes reformers and conservatives vulnerable to charges of mismanaging the economy for their respective policy preferences. During the first cycle a Hua-led boom (the Ten-Year Plan) was followed by a Deng- and Chen-led bust. Here a pro-growth conservative (that is, neo-Maoist) leadership was blamed for an overheated economy.[34] Reform did not coincide with growth. But this was the last time business and reform cycles would diverge. The 1984 urban-industrial reform started the second cycle, in which the lack of wage control and a general loose macroeconomic policy contributed greatly to inflationary pressure in the economy. The busi-

[34] Yin (fn. 26).

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ness cycle became synchronized with the reform cycle, and the reformers were blamed for the resultant imbalances. Once Hua and the petroleum faction had been soundly defeated, Deng's pro-growth group came into increasing conflict with Chen's pro-stability group. The economy then cooled down as the moderates gained the upper hand. The same scenario was repeated in the third and fourth cycles (1987–89, 1990–94), with reform consistently coinciding with a boom and overheating, and the following retrenchment accompanied by sluggish growth or contraction.

Put together, the periods of intense reform efforts (from the Third Plenum of the Twelfth CC in October 1984 to the abortive price reform in the middle of 1985; from the Thirteenth Party Congress in November 1987 to the disastrous price reform in May 1988; and from Deng's southern tour in January–February 1992 till now) preceded hypergrowth and, in the second and third cycle, macroimbalances. Then came a conservative comeback (the austerity measures in 1986 and zhili zhengdun in 1988), political turbulence (the student unrest in the winter of 1986–87 and the pro-democracy demonstrations in the spring of 1989), and the political demise of a top reformer (Hu Yaobang in January 1987 and Zhao Ziyang in June 1989). The economy was stabilized, but the sluggish growth prompted the reformers to launch an offensive, which initiated the period of intense reform of the next cycle. The current cycle, the fourth one, shows every likelihood of repeating this pattern. The expansion and contraction of the economy were attributed to the status of reform, as business cycles came to be considered epiphenomena of reform cycles. This perception acts to perpetuate fluctuations in reform policies and pits Deng's pro-growth group and Chen's pro-stability group against each other. As long as the synchronization of the business and reform cycles continues, wide policy fluctuations driven by a politics of blame are inevitable.

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EXPLAINING THE DECLINE OF EUROPEAN SOCIAL DEMOCRACY
The Role of Structural Economic Change

By JONAS PONTUSSON*

AT the core of comparative politics lies the challenge of explaining both common trajectories *and* variations across countries. Comparativists often shirk this challenge by focusing exclusively on the variations; and even when they do rise to the challenge, they typically pursue a dualist strategy, seeking to explain commonalities and variations in terms of different sets of variables. Thus, social-structural or economic-structural variables are frequently invoked to explain common trajectories, but they are seldom seriously considered in the analysis of cross-national variations. The conventional view among students of advanced capitalist countries seems to be that the social and economic structures of these countries are essentially the same and therefore cannot explain variations in political outcomes across countries.[1] Yet we know that advanced capitalist economies vary on a number of dimensions, such as the degree of export dependence, the sectoral composition of exports, the structure of ownership, the organization of firms, and the structure of employment and labor markets. The literature on industrial restructuring, often couched in terms of a transition to "post-Fordism," suggests that there is also variation in the extent and possibly the character of the structural changes that these economies have undergone over the last two decades. Whether such

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[1] For examples and further discussion, see Pontusson, "From Comparative Public Policy to Political Economy: Putting Political Institutions in Their Place, and Taking Interests Seriously," *Comparative Political Studies* 28 (Spring 1995).

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variations matter to the outcomes political scientists want to explain is an empirical question.

In his comprehensive account of the political fortunes of West European socialist parties in the 1980s, Herbert Kitschelt argues that the growth of service employment and post-Fordist forms of work organization have produced a new axis of politics—an authoritarian-libertarian axis cutting across the traditional left-right axis—and that this new axis poses a major challenge to traditional social democratic politics.[2] Apparently assuming the economic changes behind this challenge to be constant across his cases, Kitschelt explains the divergent electoral fortunes of social democratic parties in nine European countries in terms of their willingness and ability to appeal to new voter preferences and to manage the tension between new and old politics. Similarly, Frances Fox Piven observes that while "the emerging postindustrial international economic order has generated problems for left parties everywhere," these parties have "fared quite differently"; she argues that this is related to differences in their ability to adapt to socioeconomic change.[3]

As Kitschelt and Piven both indicate, the decline of industrial employment and the decline of manual occupations as percentages of the total labor force do not provide very good predictors of the electoral performance of social democratic parties on a cross-national basis.[4] However, it does not follow from these observations that employment conditions are no longer as salient to politics as they once were, for the relative decline of industrial employment (and with it, the decline of manual labor) is only one dimension of the ongoing restructuring of advanced capitalist economies.

I shall argue here that the decline of European social democracy can be viewed in some significant measure as a product of two structural-economic changes: (1) the shift to smaller units of industrial production; and (2) the growth of private nonindustrial employment. In most advanced capitalist countries, economies of scale promoted the concentration of industrial employment for the better part of the twentieth century. There was an increase in average manufacturing plant size and in the proportion of the manufacturing labor force working in relatively large plants. Toward the end of the postwar boom, sometime

[2] Kitschelt, *The Transformation of European Social Democracy* (New York: Cambridge University Press, 1994).

[3] Piven, "The Decline of Labor Parties: An Overview," in Piven, ed., *Labor Parties in Postindustrial Societies* (New York: Oxford University Press, 1991), 1.

[4] Cf. also Ivor Crewe, "Labor Force Changes, Working Class Decline, and Labour Vote," in Piven (fn. 3).

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between 1965 and 1975, these trends were reversed, and there followed a significant shift toward smaller units of industrial production. On theoretical grounds, this shift might be invoked to explain the decline of social democracy; the empirical question then is whether these trends covary on a cross-national basis.

The growth of *private nonindustrial employment* (as a percentage of the total labor force) provides a better predictor of social democratic decline than the growth of service employment or the decline of industrial employment; it also represents a more relevant measure of intersectoral employment shifts from a theoretical point of view. On the one hand, there is no obvious reason to suppose that a shift in employment from agriculture to private services would affect the political fortunes of social democracy. On the other hand, there is every reason to suppose that the political effects of a shift in employment from industry to services will depend on whether new service employment is public or private. Outside Scandinavia the shift of employment from industry to services correlates rather closely with social democratic rollback. In the Scandinavian cases, by contrast, social democracy has proved resilient in the face of rapid expansion of service employment, undoubtedly because the public sector has accounted for a much larger proportion of new service employment in these cases than it has elsewhere.

I expect the concentration of industrial employment and the proportion of the total labor force in private nonindustrial employment to shed light on both the rise and the decline of social democracy, and to that end I undertake three distinct analytical exercises designed to test and further specify their causal significance.[5] First, I marshal Swedish time-series data for the period 1913–74 and a less complete British data set for the period 1935–92, to explore the relationship between the distribution of manufacturing employment by plant size and the mobilizational capacity of the labor movement, as measured by union density and the electoral performance of the Swedish Social Democratic Party and the British Labour Party.[6]

Second, I propose two indices of levels of social democratization in nine West European countries (Austria, Belgium, Denmark, Germany,

[5] The three exercises explore different observable implications of the same theory. Taken together, they are meant to compensate for the absence of a large data set against which to test the theory. Cf. Gary King, Robert Keohane, and Sidney Verba, *Designing Social Inquiry* (Princeton: Princeton University Press, 1994).

[6] These are the only two cases for which I have been able to locate adequate time-series data on the distribution of manufacturing employment by plant size. Unless otherwise noted, the plant data employed below actually refer to "establishments," sometimes also called "manufacturing units." An establishment, defined as a single location of production facilities, may consist of several plants, factories, or workplaces.

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the Netherlands, Norway, Sweden, Switzerland, and the U.K.) at certain points in time (1970, 1980, and 1990), and explore the extent to which cross-national variations on these indices correlate with variations in the relative size of the private nonindustrial labor force, the average size of manufacturing plants and, for a subset of four countries, the distribution of employment by plant size. While one of the proposed indices of social democratization measures the mobilizational strength of social democratic labor movements in terms of union density and electoral performance, the other index seeks to capture the extent to which social democratic policy priorities have prevailed in a particular country at a given time.[7]

Third, I develop measures of the extent of social democratic policy rollback as well as of the decline of union and party strength in the same nine countries from 1980 to 1990; and I explore the extent to which two items correlate with my rollback measures: industrial restructuring, as measured by change in average manufacturing plant size, and intersectoral employment shifts, as measured by the growth of private nonindustrial employment.

As it is a commonplace that a correlation does not constitute an explanation, I begin by positing some causal mechanisms whereby industrial organization and employment structure might plausibly affect political outcomes. I then return to the problem of causality in the concluding discussion. In the end, my data do not enable us to discriminate among causal mechanisms with much precision. To do so would require more qualitative research and attention to historical sequences.[8] The aim of this paper, however, is not to settle the question of economic-structural determinants of the decline of European social democracy once and for all, let alone to provide a comprehensive account of the decline of European social democracy. Rather, the goal is to set the stage for further research.

A few words about case selection are in order at this point. Two criteria were used to select the nine country cases under consideration: (1) dominance of social democratic parties on the left; and (2) close ties between social democratic parties and trade unions. In each case, social democracy was more or less coterminous with the left in the postwar era, and the notion of a "labor-movement party"[9] captures the

[7] I do not use policy measures in the analysis of Swedish and British time-series data because such measures (e.g., employment rates) are not readily available for the period prior to 1960.

[8] Cf. Dietrich Rueschemeyer, Evelyne Huber Stephens, and John Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992), chap. 2.

[9] Andrew Martin, "Is Democratic Control of Capitalist Economies Possible?" in Leon Lindberg, ed., *Stress and Contradiction in Modern Capitalism* (Lexington, Mass.: D. C. Heath, 1975).

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organizational model of social democracy in its heyday. No other European country meets these specifications.

I conceive social democracy as a distinct historical configuration, and my analysis seeks to explain variations over time and across countries *within this configuration*. My nine cases represent the entire universe of cases rather than a sample, and I make no claim that the arguments advanced here apply beyond these cases.

Causal Arguments

The Marxist tradition suggests that working-class consciousness thrives in large units of production and that capitalism paves the way for socialism, not only by turning the vast majority of people into proletarians, but also by concentrating proletarians in ever larger units of production. To my knowledge, however, the microfoundations of this argument have never been fully spelled out, nor has the argument been subjected to sustained empirical analysis.[10] There are at least three different ways in which a causal relationship between production unit size (or distribution of employment by unit size) and social democracy might be construed—in other words, three distinct causal mechanisms that might be at work. One of these mechanisms, apparently at the core of the Marxist argument, concerns *worker consciousness*. Another mechanism concerns the opportunities for unions to organize workers, or the *relative costs of collective organization*. And third, the structure of employment by unit size may be said to affect the salience of common worker interests relative to the particular interests of different categories of workers, a variable that may be referred to as the *relative homogeneity of worker interests*.[11]

The argument about worker consciousness holds that something about working conditions in large plants inclines workers to join unions, to vote for social democratic parties (or leftist parties more generally), and to support policies that promote classwide interests. As Peter Auer and Helga Fehr-Duda emphasize, the small-firm sector is characterized by heterogeneity, and one should be wary of generalizing about small firms and, by extension, about small plants.[12] Nonetheless,

[10] For references to Marx and Lenin, see Geoffrey Ingham, *Size of Industrial Organization and Worker Behavior* (Cambridge: Cambridge University Press, 1970), 15; and Michael Goldfield, *The Decline of Organized Labor in the United States* (Chicago: University of Chicago Press, 1987), 150.

[11] In each of these formulations, the term *wage earners* may be substituted for *workers*. For the most part, the following analysis is oblivious to the distinction between blue-collar (manual) and white-collar (nonmanual) employment.

[12] Auer and Fehr-Duda, "Industrial Relations in Small and Medium-Sized Enterprises: Evidence

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two broad generalizations can be made with some confidence: first, production in large plants has historically tended to be characterized by greater capital intensity and technological interdependence than production in small plants; and, second, large plants tend to be more bureaucratic in their organization and relations between employees in large plants tend to be more impersonal than they are in small plants.[13] For either or both reasons, the notion of a worker collective would seem to be more meaningful in large plants, and conflicts of interest between workers and employers, more transparent.

The argument about relative costs of collective organization is most readily explicated in relation to Michael Wallerstein's analysis of the determinants of union density in advanced capitalist countries.[14] Wallerstein observes a close, negative correlation between the size of the total labor force and union density. He links these variables to each other by arguing that while the costs (to unions or current union members) of organizing a given number of workers is the same across countries, the benefits derived from this effort vary as a function of the proportion of the total labor force represented by that number of workers. Contrary to Wallerstein, I would expect that there are economies of scale in union organizing and hence that industrial structure affects organizing costs. If unions have to commit a certain amount of resources to organize any one plant (or to maintain membership in any one plant), then a much greater commitment of resources will be required to reach (maintain) the same level of union density in a situation where there are one thousand plants with one hundred workers each than in a situation where there are one hundred plants with one thousand workers each.

Based on this reasoning, I would hypothesize that variations in union density across industrial sectors and countries correlate with variations in the degree of plant concentration, as measured by the share of employment in any one sector of the largest ten or twenty plants and in their median share of employment across a representative sample of sectors. As we shall see, data availability precludes a strict test of this hypothesis.[15] For the time being, suffice it to note that a

from Six Countries," in Auer and Fehr-Duda, eds., *Industrial Relations in Small and Medium-Sized Enterprises* (Luxembourg: Office for Official Publications of the European Communities, 1989).

[13] For further discussion, see Ingham (fn. 10).

[14] Wallerstein, "Union Organization in Advanced Industrial Democracies," *American Political Science Review* 83 (June 1989).

[15] For a model of how to estimate plant concentration rates and for empirical results for Canada, France, Italy, Japan, Sweden, the U.S., and the U.K. in the late 1950s, see Joe Bain, *International Differences in Industrial Structure* (New Haven: Yale University Press, 1966), chap. 3. Regressing 1960

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number of studies show that union density varies by plant size within countries and that John Stephens reports a positive correlation between cross-national variations in union density and a different measure of economic concentration, roughly as strong as the correlation between union density and size of labor force reported by Wallerstein.[16] It should be added that size of labor force and plant concentration ought not to be conceived as competing variables. Quite the contrary, one would expect plant concentration of employment to be in large measure a negative function of the size of the labor force and domestic markets, meaning that small countries should have higher rates of plant concentration than large countries. In other words, the argument advanced here provides an alternative explanation of Wallerstein's empirical findings.

Though the two arguments are not mutually exclusive, the argument about ease of collective organization might be extended in such a way as to preempt the argument about worker consciousness. Unionization, that is, rather than the working environment, may explain why workers in large plants are more inclined to vote for leftist parties and to support solidaristic policies than are workers in small plants. By contrast, Ivor Crewe argues that the decline of large manufacturing plants has affected the political orientation of *union members* in the U.K. and indeed has been a critical factor in the breakup of the "political ecology and culture that underpinned the traditional union-Labour electoral connection."[17] According to Crewe, the political implications of the shift to smaller units of production can be seen not only in the much lower percentage of union members voting for the Labour Party in the South than in the North in the 1980s but also in the results of union ballots on whether or not to retain political funds. In unions organizing traditional large-plant industries, such ballots were won by much larger margins.

union density data reported by Goldfield (fn. 10), 16, on Bain's concentration rates for these seven countries yields a positive and statistically significant coefficient, but the association between these variables is not very consistent (R^2=18.3%). Since Canada represents a major outlier in this regression (without it, R^2=58.4%), it may be that a larger sample would yield results more consistent with the fact that union density correlates strongly with plant size on a national basis. For evidence on the association of union density and plant size within countries, see Goldfield (fn. 10), 149–52; Auer and Fehr-Duda (fn. 12), 30; and Gary Loveman and Werner Sengenberger, "Introduction: Economic and Social Reorganization in the Small and Medium-Sized Enterprise Sector," in Sengenberger, Loveman, and Michael Piore, eds., *The Re-emergence of Small Enterprises* (Geneva: International Institute for Labour Studies, 1990), 39.

[16] Stephens, "Industrial Concentration, Country Size and Trade Union Membership," *American Political Science Review* 85 (September 1991).

[17] Crewe (fn. 4), 32–33.

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As for worker interests, two distinct arguments can be made. One concerns the relative homogeneity of workers within plants, and the other concerns the relative homogeneity of worker interests across plants. David Marsden reports that in Britain in 1980 semiskilled workers accounted for 31.2 percent of the manual labor force in plants with fewer than one hundred employees, and 52.4 percent in plants with more than five hundred employees.[18] The corresponding figures for skilled workers were 61.7 percent and 42.7 percent, with unskilled workers accounting for the remainder of the labor force. Small plants thus had a more bifurcated skill structure than did large plants. Auer and Fehr-Duda suggest that this holds for other countries as well.[19] We might therefore hypothesize that countries with comparatively large proportions of the labor force employed in small plants will have labor movements that are not only weaker, but also less solidaristic, and that a shift to smaller units of production will exacerbate conflicts of interest among industrial workers.

In a somewhat different vein, conflicts of interest between workers in small and large plants may be viewed as an obstacle to labor solidarity. Drawing on data from nine OECD countries, Loveman and Sengenberger show that small firms consistently pay lower wages than do large firms.[20] From this perspective, cross-national variations in labor solidarity are to be explained, not in terms of average plant size or even the employment share of large plants, but rather in terms of the degree of labor-force bifurcation by plant size.

There can be little doubt that unions have traditionally played a critical role in mobilizing electoral support for social democratic parties. Following Adam Przeworski and John Sprague, one would expect social democratic parties in more unionized countries to face a less steep trade-off between working-class and middle-class electoral support, as the presence of strong unions should mitigate the losses of working-class support associated with broad, cross-class appeals.[21] At the same time several of the arguments advanced above suggest that the political implications of industrial restructuring hinge not so much on how it affects union membership as on how it affects what unions do. While local union organizations have become increasingly responsive to the interests of skilled workers, industrial reorganization has introduced a range of new issues concerning technology and working

[18] Marsden, "United Kingdom," in Sengenberger, Loveman, and Piore (fn. 15), 233.
[19] Auer and Fehr-Duda (fn. 12), 20–21.
[20] Loveman and Sengenberger (fn. 15), 33–37.
[21] Przeworski and Sprague, *Paper Stones* (Chicago: University of Chicago Press, 1986).

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conditions that cannot be negotiated at the national level, and national politics appears to have become less relevant to union activities.

This observation bears not only on the inclination and ability of manufacturing unions to mobilize workers on behalf of social democratic parties and policies but also on political relations between manufacturing and service-sector unions, and on the way in which the labor movement is perceived by nonunion voters. The problem that industrial restructuring poses for social democratic parties seems to be twofold: on the one hand, their traditional union allies do not deliver their members' votes to the extent they once did; on the other hand, the ties of social democratic parties to these unions have become an electoral liability, as nonunion voters increasingly perceive unions as representating particularistic interests.

The question of cross-class alliances brings us to the second part of the analysis, which pertains to the distribution of employment across broadly defined economic sectors (agriculture, industry, private services, and public services). As indicated above, my basic hypothesis on this score is that social democratic strength is inversely related to the proportion of the total labor force in private nonindustrial employment across countries and over time. This hypothesis rests on two propositions: (1) the labor force employed in private industry is more likely to belong to unions, to vote for social democratic parties, and to support social democratic policy priorities than is the labor force employed in private agriculture or services; and (2) the labor force employed in public services is more likely to belong to unions, to vote for social democratic parties, and to support social democratic policy priorities than is the labor force employed in private agriculture or services.

Both propositions would seem self-evident. Very briefly, the first proposition seems to be true for two basic reasons. First, manual workers account for a larger proportion of industrial employment than of service employment, and manual workers are more likely than white-collar employees to behave in the manner specified. Second, production units in the industrial sector are on average much larger than production units in agriculture and services, and so the causal effects of unit size and employment distribution by unit size again come into play.[22]

There are several reasons to expect public sector employees, white-collar as well as blue-collar, to be more inclined to behave in the specified manner than are people working in agriculture or private services.

[22] For most countries, data for establishment size for services simply do not exist, but the German data in Table 5 below support this argument.

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Union density rates in all countries tend to be higher in the public sector than in the private sector, presumably because public sector employers have been less resistant to unionization than their private counterparts have been.[23] Moreover, public sector employees benefit directly from social democratic priorities in terms of employment security, promotional opportunities, and income. Beyond these obvious considerations, it may be that working conditions in the public sector are particularly conducive to support for social democracy; certain types of public sector work, especially in education, health, and social services, may promote solidaristic values or attract people with such values. I would also expect that workplace units in the public sector are on average larger than workplace units in agriculture or private services, though I have no empirical evidence to support this view. Once again, the hypothesis that private nonindustrial employment is a source of social democratic weakness can be directly related to, and viewed as in part derivative of, the hypothesis that large units of production are a source of social democratic strength.

Swedish and British Time-Series Data

National statistical yearbooks for Sweden and Britain provide data on the distribution of manufacturing employment by plant size that enable us to explore the relationship between changes in industrial organization and labor's mobilizational capacity over extended periods of time. The Swedish data cover the period 1913–88. From 1920 on, the Swedish yearbook provides data in five-year intervals (1920, 1925, 1930, and so forth), and from 1956 on, it provides these data on an annual basis. For the 1913–74 period the data refer to the distribution of the manual labor force by plant size; from 1975 on, they refer to the distribution of total manufacturing employment (white-collar as well as blue-collar). Since this change yields measures of very different magnitude, I will restrict my analysis to the 1913–74 data. The British yearbook provides data for 1935, 1959, 1961, 1968, and most years in the 1970s and 1980s. As these data consistently refer to the distribution of total manufacturing employment by plant size, they are not directly comparable to the Swedish data for 1913–74.[24]

Both data sets enable us to calculate average plant size, but I prefer

[23] Cf. Hugh Clegg, *Trade Unionism under Collective Bargaining* (London: Social Science Research Council, 1976), chap. 2.

[24] The Swedish data also include all plants, whereas the British data exclude plants with fewer than eleven employees.

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to use large plants' share of total employment as the measure of change in industrial organization ("large plants" being defined as plants with more than five hundred workers or employees). This measure is less sensitive to changes in the size of the manufacturing labor force than average plant size; it is also more relevant to the causal arguments advanced above.[25] Figures 1 and 2 show the evolution of the employment share of large plants in each country. In the Swedish case the employment share of large plants increased rather steadily from 1925 until 1974, but then began to decline. In the British case the decline of the employment share of large plants began earlier (in the early 1970s) and assumed much more dramatic proportions.

Union Density

Kjellberg provides figures on union density among manual workers in Sweden for nineteen years included in the 1913–74 data set on employment distribution by plant size.[26] For Britain, union membership data in the British *Annual Abstract of Statistics* enable us to calculate overall union density (union members as a percentage of the total labor force) for thirteen years for which employment distribution data are available. To regress union density on employment shares using the Swedish data is problematic, for the values of both variables increase steadily over the time period covered, and there are likely to be exogenous common trends. This problem can be avoided by recalculating the data in terms of change from one data point to another, so that union density or the employment share of large plants for any one year equals that year's figure minus the figure for the preceding observation.[27] The coefficient of the regression of change in union density on change in employment share for large plants is 1.806 (standard error=0.528), and the R^2 of this regression is 42.3%.[28]

The problem of exogenous common trends is less acute for the

[25] In both cases, the evolution of average plant size follows the same general pattern as the evolution of employment share of large plants. Regressing average plant size on the employment share of large plants yields an R^2 of 57.4% using Swedish (1913–74) data, and 83.9% using British data.

[26] Anders Kjellberg, *Facklig organisering i tolv länder* (Lund: Arkiv, 1983), 269–79.

[27] Cf. Thomas Janoski and Larry Isaac, "Introduction to Time-Series Analysis," in Janoski and Alexander Hicks, eds., *The Comparative Political Economy of the Welfare State* (New York: Cambridge University Press, 1994), 33–34.

[28] The R^2 of the regression of union density on the employment share of large plants is 95.0%. Readers not too familiar with statistics might appreciate a few words about the meaning of regression results at this point. The important thing is that the coefficient is a measure of the *strength* of the relationship between two variables, and R^2 is a measure of the *consistency* of the relationship. The coefficient refers to the unit increase of the y-variable associated with a one-unit increase of the x-variable, and thus describes the slope of the regression line. R^2 represents the amount of the variation on the y-variable that is explained by the regression of the y-variable on the x-variable(s), and tells us about the

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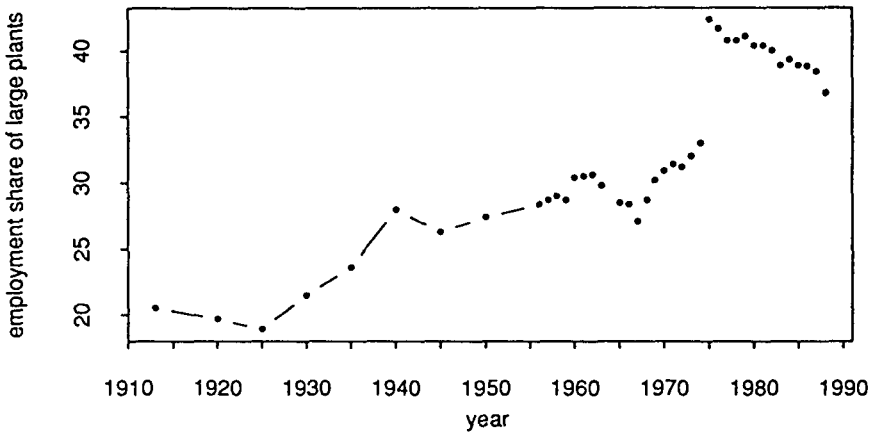

FIGURE 1
EMPLOYMENT IN LARGE PLANTS (MORE THAN 500 WORKERS/EMPLOYEES)
(% OF TOTAL MANUFACTURING EMPLOYMENT IN SWEDEN, 1913–88)[a]
SOURCE: *Statistisk årsbok för Sverige* (Stockholm: Statistiska Centralbyrån, various years).
[a]Figures for 1913–74 refer to manual workers; figures for 1975–88, to all employees.

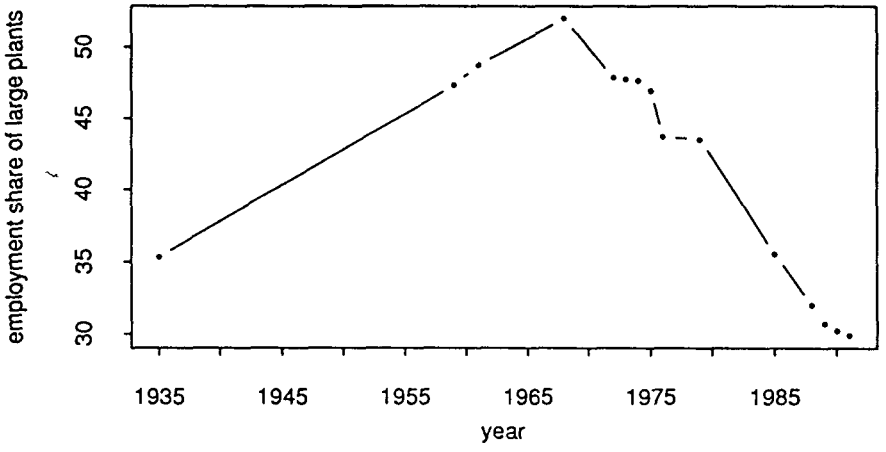

FIGURE 2
EMPLOYMENT IN LARGE PLANTS (MORE THAN 500 EMPLOYEES)
(% OF TOTAL MANUFACTURING EMPLOYMENT IN THE U.K., 1935–91)
SOURCE: *Annual Abstract of Statistics* (London: Central Statistical Office, various years).

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British data set, because of (1) the small number of observations prior to 1970 and (2) the reversal of trends within the time period covered. In this case, it is more appropriate to analyze level relationships at each data point than to analyze change from one data point to the next. This exercise again yields a positive and statistically significant association between union density and the employment share of large plants, but the association is weaker and less consistent than in the Swedish case: the regression coefficient is 0.547 (standard error=0.229), and the R^2 of the regression is 34.1%. As Figure 3 shows, the relationship between union density and the employment share of large plants actually changes over time in the British case. We can distinguish three different "regimes":[29] (1) from 1935 to 1959 the values of both variables increase along a regression line that resembles that for the Swedish 1913–74 data; (2) from 1968 to 1979 the employment share of large plants declines while union density increases (which is also true for Sweden after 1974); and (3) from 1979 to 1989 the values for both variables decline in tandem.

Not surprisingly, union density turns out to be sticky: the decline of the employment share of large plants does not immediately translate into decline of union density, and institutional arrangements associated with the postwar settlement mitigate the effects of the decline of plant size on union density. British time-series data thus demonstrate that if there is indeed a causal relationship between these variables, causality must run from changes in the distribution of employment by plant size to changes in union density, and not the other way around.

Electoral Support

To correlate the distribution of employment by plant size with election results on as broad a basis as possible, I estimate employment shares of large plants for election years for which such data are not available, assuming that any change over a multiyear period occurred in equal yearly increments. For the Swedish case, this procedure yields a total of twenty-eight observations, including local government elections and parliamentary elections. For the British case, I estimate employment shares for missing election years only since 1959 (the distance between

spread of observations around the regression line. A weak relationship (a coefficient of low value) may be very consistent (a high R^2 value). Following conventional usage, a relationship between two variables is here described as statistically insignificant if the value of the coefficient is lower than the value of the standard error of the coefficient (i.e., a t-ratio of less than 1).

[29] Cf. Larry Isaac, Susan Carlson, and Mary Mathis, "Quality of Quantity in Comparative/Historical Analysis," in Janoski and Hicks (fn. 27).

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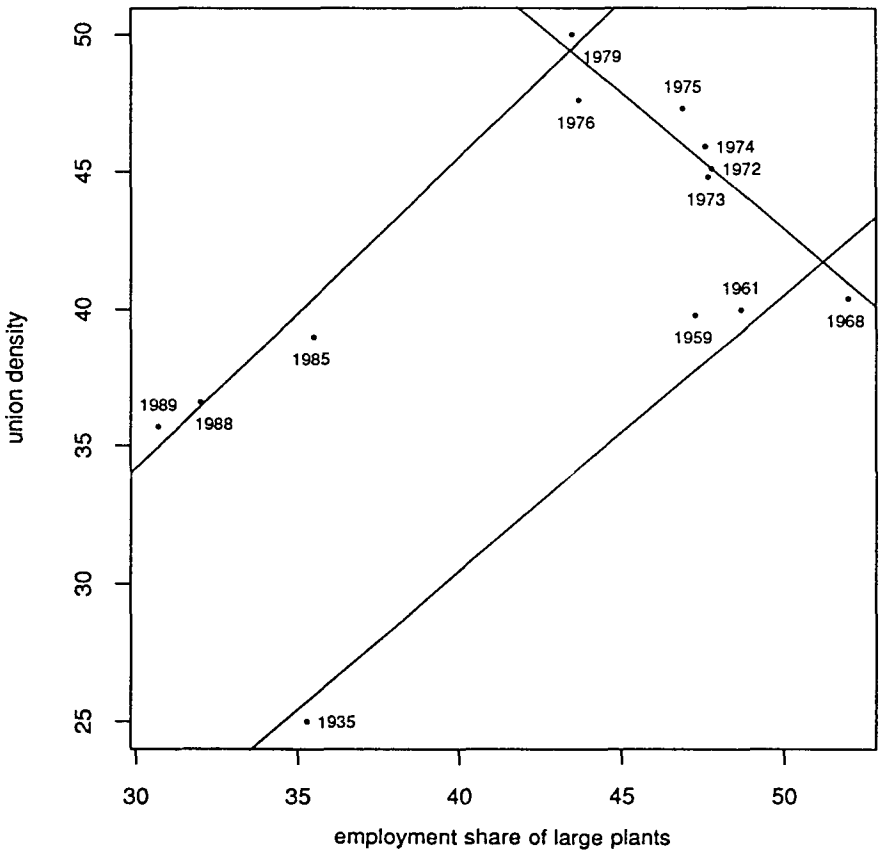

FIGURE 3
UNION DENSITY AND LARGE PLANTS' SHARE OF MANUFACTURING EMPLOYMENT IN THE U.K. (1935–89)[a]

[a]Regression lines computed using data for years 1935–68, 1968–79, and 1979–89, respectively.

the 1935 and 1959 figures being very large, valuewise as well as timewise), for a total of eleven observations.

The regression of the British Labour Party's share of the national vote on the large plants' share of manufacturing employment has a coefficient of 0.607, the standard error of the coefficient equals 0.172, and R^2 equals 58.0%. For the Swedish data, the corresponding figures are 0.905, 0.158, and 55.9%.[30] As Figure 4 shows, however, the

[30] The vote shares used in these regressions were taken from Walter Korpi, *The Democratic Class Struggle* (London: Routledge and Kegan Paul, 1983), 237; and Joel Krieger, "Britain," in Mark

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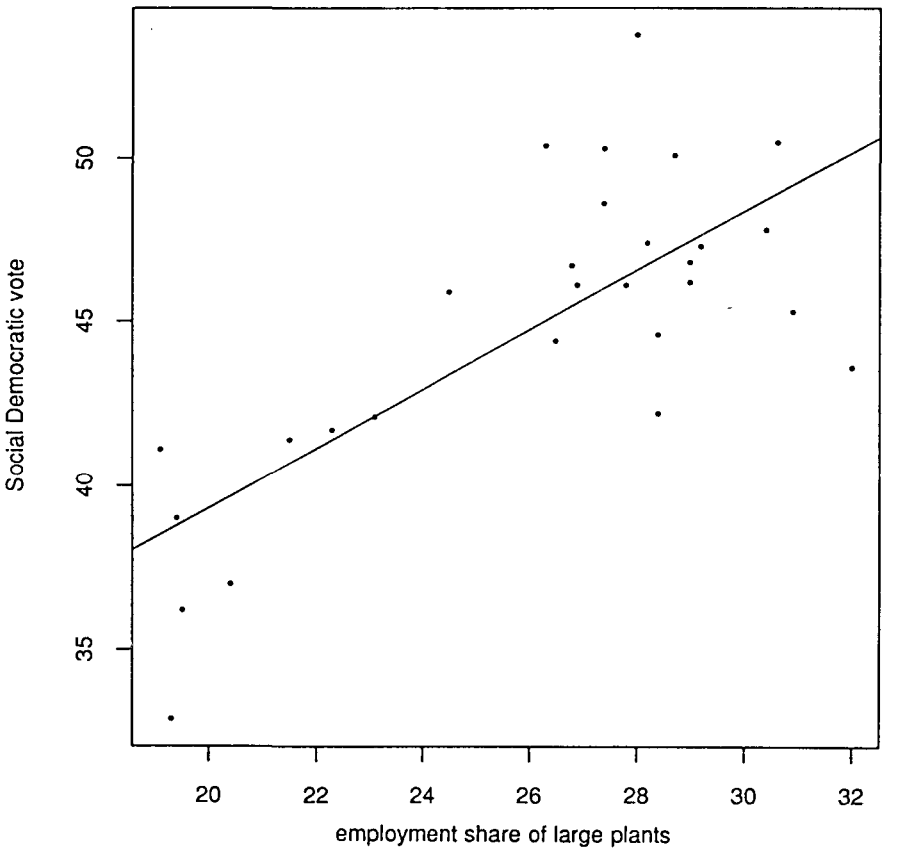

FIGURE 4
SOCIAL DEMOCRATIC SHARE OF THE NATIONAL VOTE AND LARGE PLANTS' SHARE OF MANUFACTURING EMPLOYMENT IN SWEDEN (1921–73)

Swedish data points fall into two very distinct clusters: pre-1935 and post-1935 elections. If we restrict the analysis to the latter (upper-right) cluster, there is no consistent pattern of association between the employment share of large plants and the vote share of the Social Democratic Party.

In the Swedish case, the 1930s witnessed a massive electoral mobilization by the left. The Social Democrats' share of the national vote peaked in the parliamentary election of 1940, but the combined share of the socialist parties increased through the Second World War, to

Kesselman and Krieger, eds., *European Politics in Transition*, 2d ed. (Lexington, Mass.: D. C. Heath, 1992), 71.

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reach an all-time record of 57.2 percent in the parliamentary election of 1944. This electoral mobilization coincided with a marked increase in the employment share of large plants—a trend that had already begun in the first half of the 1920s (see Figure 1). While the employment share of large plants continued to rise in the postwar period, however, the Social Democrats' share of the vote tended to stagnate.

Walter Korpi argues persuasively that nonsocialist parties responded to the electoral gains of the left in the 1930s and early 1940s by moving to the left, thus preempting further electoral gains by the Social Democrats.[31] Though Korpi does not use the term, we might say that social democratic hegemony weakens the relationship between industrial organization and electoral outcomes. In the absence of this effect, the relationship continues to hold in the British case (see Figure 5).[32]

To summarize, Swedish and British time-series data show that the employment share of large plants constitutes a reasonably strong predictor of union density, but a sharp decline in the employment share of large plants does not immediately, or perhaps does not ever, translate fully into decline in union density. Allowing for a "hegemony effect," the employment share of large plants also constitutes a reasonably strong predictor of the electoral performance of labor parties.

Levels of Social Democratization

In this section, I propose to measure levels of social democratization in the nine countries identified earlier and to explore whether cross-national variations in this regard correlate with variations in employment structure and industrial organization. As indicated above, I am interested in the extent to which social democratic policy priorities have prevailed in any given country, as well as in the mobilizational capacity of social democratic labor movements. The degree to which social democratic labor movements have been able to influence policy is likely to depend not only on their own mobilizational capacity but also on alliance opportunities and economic conditions. Because the two dimensions of social democratization are analytically distinct, they are treated separately.

Table 1 presents an index of social democratic mobilization derived by multiplying union density in a given year by the average share of the

[31] Korpi (fn. 30), chap 1.

[32] For further discussion of Sweden as a case of reformist labor hegemony, and the contrast with the U.K., see Pontusson, *Swedish Social Democracy and British Labour*, Occasional Paper no. 19 (Ithaca, N.Y.: Western Societies Program, Cornell University, 1988).

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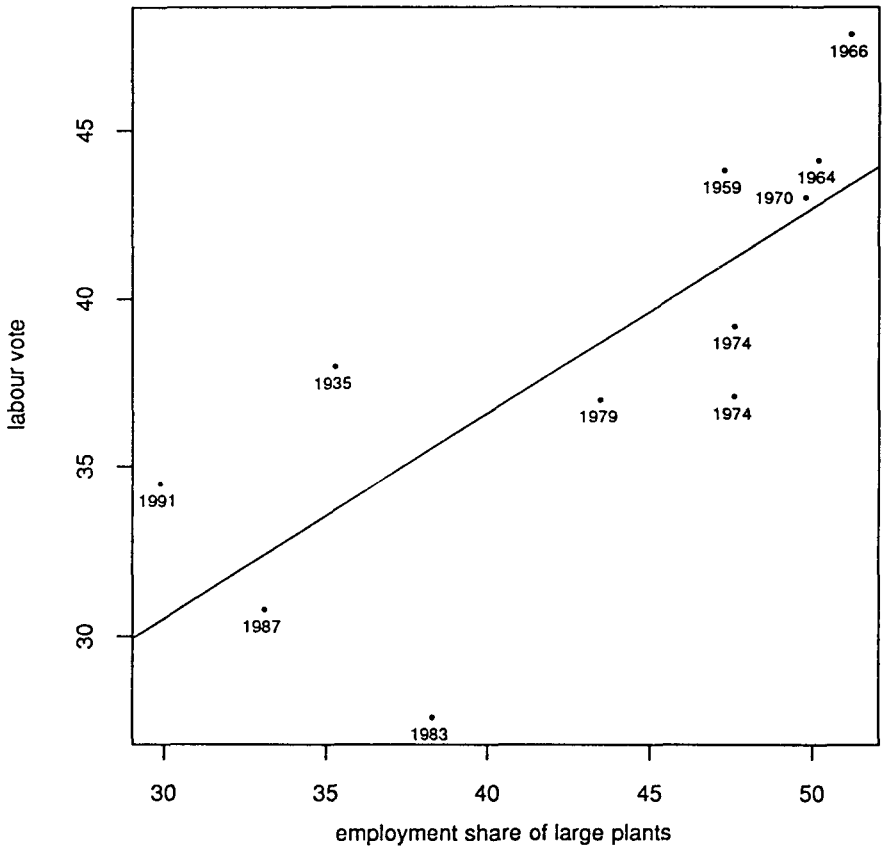

FIGURE 5
LABOUR'S SHARE OF THE NATIONAL VOTE AND LARGE PLANTS' SHARE OF MANUFACTURING EMPLOYMENT IN THE U.K. (1935–92)

national vote received by social democratic parties over a time period more or less centered on the year in question (1970, 1980, and 1990), and dividing the product by 100.[33] Thus the index encompasses a measure of labor's organizational strength, as well as a measure of the electoral appeal of labor-affiliated parties. Table 2 presents a similarly constructed index of social democratic policy dominance. In this case,

[33] The time periods used to calculate average vote shares (1965–71, 1974–81, and 1985–92) were selected so as to include at least two elections for each country. Average vote share over several elections is used because the outcome of any given election is influenced by a host of particularistic factors. Union density is a far less volatile statistic. The last column of Table 1 (and Table 3 below) should be ignored for the time being. See Appendix 1 for the data on vote share and union density used to calculate the mobilization index.

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TABLE 1
SOCIAL DEMOCRATIC MOBILIZATION
$\left(\frac{\text{VOTE SHARE x UNION DENSITY}}{100}\right)$

Country	*1970*	*1980*	*1990*	*1980–90 Change (Ratios & Ranks)*
Austria	29.2	28.5	19.9	.70 (2)
Belgium	12.6	14.6	14.4	.99 (8)
Denmark	22.0	26.2	23.0	.88 (6)
Germany	13.5	15.2	11.6	.76 (5)
Netherlands	9.2	11.0	8.3	.75 (4)
Norway	23.0	22.6	21.1	.93 (7)
Sweden	32.3	34.3	34.5	1.01 (9)
Switzerland	7.0	7.3	5.2	.71 (3)
United Kingdom	20.4	19.1	12.7	.66 (1)

SOURCES AND SPECIFICATIONS: SEE Appendix 1.

TABLE 2
SOCIAL DEMOCRATIC POLICY DOMINANCE
$\left(\frac{\text{EMPL. RATE x GOV'T SPENDING}}{100}\right)^{a}$

Country	*1968*	*1980*	*1990*
Austria	22.3	30.0	30.4
Belgium	19.7	37.5	33.2
Denmark	23.2	46.1	47.5
Germany	23.3	30.8	29.4
Netherlands	22.2	33.8	34.9
Norway	21.2	34.4	39.7
Sweden	25.8	49.6	49.2
Switzerland	16.0	22.5	23.9
United Kingdom	23.8	32.2	28.9

SOURCE: OECD, *Economic Outlook: Historical Statistics* (various years).

[a]Employment rate refers to total employment as a percentage of population between ages 15 and 64; government spending refers to current government expenditures as a percentage of GDP.

I have multiplied the employment rate (total employment as a percentage of the working-age population) by government spending as a percentage of GDP and divided the product by 100.

The rationale behind this index of policy dominance derives from Gösta Esping-Andersen's comparative analysis of welfare-state development.[34] Conceding that social democratic political dominance does

[34] Esping-Andersen, *Three Worlds of Welfare Capitalism* (Princeton: Princeton University Press, 1990).

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not provide a consistent predictor of cross-national variations in welfare spending, Esping-Andersen argues that social democracy matters primarily for other, more qualitative features of welfare-state development. In essence, social democratic welfare states are distinguished from conservative or Christian democratic welfare states by their commitment to universality, their preference for the provision of public sector services over transfer payments, and their promotion of participation in the labor force. Total government spending (current expenditures) would seem to provide a better measure of what is distinctive about social democratic welfare effort than would social security expenditures, but more importantly, the issue of government spending must be related to the issue of labor-force participation. Christian democratic welfare states resemble social democratic welfare states with respect to spending levels, but they do so in large part because they support a larger proportion of nonworking adults. Esping-Andersen's third ideal type, the liberal welfare state, is characterized by relatively high employment rates, but falls short of both social democratic and Christian democratic welfare states with respect to government spending. In other words, it is the combination of high levels of government spending and high employment rates that distinguishes the policy regime associated with social democracy.

There is a positive correlation between social democratic mobilization and policy dominance as measured by these indexes, but it is by no means perfect. The Austrian case, in particular, stands out as anomalous: while the mobilizational strength of the Austrian labor movement for 1970 and 1980 is comparable to that of the Scandinavian labor movements, its policy achievements are far more modest.[35]

Turning to economic-structural variables, Table 3 provides data on the proportion of the labor force working in private nonindustrial enterprises (in both agriculture and services) at the three points in time used to measure levels of social democratization in Tables 1 and 2. Table 4 presents the only plant-size data based on cross-nationally consistent measurements that I have been able to locate. Calculated by Frederic Pryor, these data refer to average number of employees per manufacturing plant in some year between 1958 and 1966.

Regressing my indices of social democratization in 1970 on private nonindustrial employment in 1968 and Pryor's data on plant size does

[35] Regressing policy dominance on mobilization yields an R^2 of 46.2% for 1970, 50.1% for 1980, and 72.2% for 1990. The high R^2 value for 1990 is attributable to the decline of the mobilizational capacity of the Austrian labor movement in the 1980s (see below).

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TABLE 3
PRIVATE NONINDUSTRIAL EMPLOYMENT AS PERCENTAGE OF TOTAL EMPLOYMENT[a]

Country	*1968*	*1980*	*1990*	*Change 1968-90*
Austria	46.3	42.5	42.7	.92
Belgium	42.7	46.4	52.3	1.22
Denmark	47.4	41.2	42.1	.89
Germany	42.0	41.7	45.0	1.07
Netherlands	49.0	53.6	59.1	1.21
Norway	48.0	47.2	47.7	.99
Sweden	40.5	37.5	39.4	.97
Switzerland	45.8	51.2	54.1	1.18
United Kingdom	37.3	41.2	51.8	1.39

SOURCE: OECD, *Economic Outlook: Historical Statistics* (various years).

[a]The figures have been derived by subtracting government employment as a percentage of total employment from the sum of agricultural and service employment as a percentage of total employment. The change ratio is the product of dividing the 1990 figures by the 1968 figures.

TABLE 4
AVERAGE NUMBER OF EMPLOYEES PER ESTABLISHMENT IN MANUFACTURING ESTABLISHMENTS WITH MORE THAN 20 EMPLOYEES (LATE 1950S AND EARLY 1960S)

Country	*Plant Size*	*Peak Year*
Austria	125	1963
Belgium	131	1962
Denmark	96	1958
Germany	141	1961
Netherlands	106	1962
Norway	92	1966
Sweden	107	1961
Switzerland	100	1965
United Kingdom	193	1958

SOURCE: Frederic Pryor, *Property and Industrial Organization in Communist and Capitalist Nations* (Bloomington: Indiana University Press, 1973), 157.

not yield any statistically significant coefficients. However, private nonindustrial employment turns out to be a reasonably strong predictor of levels of social democratization in 1980 and 1990. With mobilization as the dependent variable, the coefficient of this variable is −1.319 (standard error=0.389, R^2=62.2%) for 1980, and −1.127 (standard error=0.295, R^2=67.6%) for 1990. With policy dominance as the

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dependent variable, the corresponding figures are -0.905 (0.489, 32.8%), and -0.757 (0.412, 32.6%).

The increased salience of the employment variable would seem to reflect the shift of private nonindustrial employment from agriculture to services. As the literature inspired by Barrington Moore suggests, the significance of a larger agricultural labor force for the prospects of social democracy very much depends on the organization of agriculture, which varies (or used to vary) a great deal across countries.[36] Arguably, private service employment has more uniform consequences for social democracy.

A cursory examination of the data in Tables 1 and 4 reveals why average manufacturing plant size does not provide any explanatory leverage on cross-national variations in levels of social democratization: three out of the top five countries on my index of social democratic mobilization (Sweden, Norway, and Denmark) rank at the bottom if the countries are arrayed according to average plant size. As Figure 6 illustrates, the Austrian case also diverges sharply from the linear association between average plant size and social democratic mobilization that obtains for the other five cases. When the index of social democratic policy dominance is plotted against Pryor's data for plant size, the Scandinavian cases again end up in the upper-left corner, but their distinctiveness is less pronounced, and the Austrian case can no longer be characterized as an outlier.

Although the absence of any consistent cross-national association between average plant size and social democratization casts some doubt on the proposition that working conditions in large plants are conducive to working-class consciousness or solidarity, it is of little relevance to the other causal hypotheses advanced above. Again, the argument about favorable conditions for unionization and more broadly about collective action hinges on plant concentration—a large proportion of the labor force working in a small number of plants—and there is no reason to suppose that plant concentration covaries with average plant size. Quite the contrary, there is good reason to suspect that these variables are inversely related to each other, for we would expect average plant size to be positively correlated with the size of the domestic market and plant concentration to be negatively correlated with the size of the domestic marker or, more crudely, with country size. In

[36] Cf. Francis Castles, *The Social Democratic Image of Society* (London: Routledge and Kegan Paul, 1978); and Esping-Andersen, *Politics against Markets* (Princeton: Princeton University Press, 1985).

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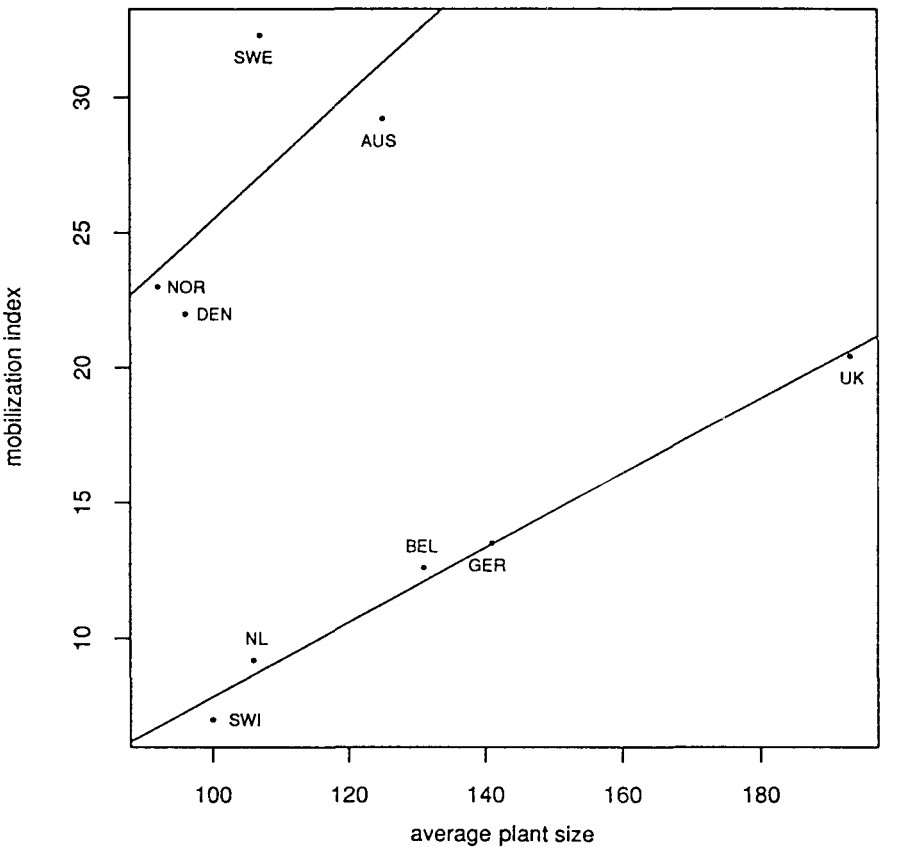

FIGURE 6
LEVELS OF SOCIAL DEMOCRATIC MOBILIZATION (1970) AND AVERAGE PLANT SIZE (1958–66)[a]

[a]Separate regression lines computed for Austria, Denmark, Norway, and Sweden, and for Belgium, Germany, the Netherlands, Switzerland, and the U.K.

Joe Bain's data on seven OECD countries, Sweden stands out as the country with the lowest average plant size but the highest rate of plant concentration of employment.[37] Not surprisingly, there is a fairly strong positive correlation between Pryor's average plant size figures and size of the total labor force in 1960 (R^2=68.0%).

Table 5 provides the basis for a different approach to the question of

[37] Bain (fn. 15), chap. 3.

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TABLE 5
DISTRIBUTION OF EMPLOYMENT BY ESTABLISHMENT SIZE
(PERCENTAGE OF TOTAL EMPLOYMENT, LATE 1980S)[a]

	Industry Only			*Industry & Services*	
Establishment Size (Employees)	*Sweden*	*Denmark*	*Germany*	*Germany*	*Austria*[b]
1–49[c]	17.3	26.9	28.2	47.8	40.4
50–199	45.8	51.8	33.8	31.4	33.7
200–	36.9	21.4	38.1	20.8	25.9

SOURCES: *Statistical Abstract of Sweden* (Stockholm, 1991); *Statistisk Årbog* (Copenhagen, 1991); *Statistisches Handbuch* (Vienna, 1991); and *Statistisches Jahrbuch für die Bundesrepublik Deutschland* (Stuttgart, 1991).

[a]Specifically, 1987 for Germany, 1988 for Austria, and 1989 for Sweden and Denmark.

[b]The Austrian data, by exception, refer to "persons engaged" (including owners); the other data, as indicated, refer to "employees."

[c]Danish data exclude establishments with fewer than six employees.

level relationships. The table shows the distribution of employment by establishment size in four of my nine countries—Austria, Denmark, Germany, and Sweden—in the second half of the 1980s. Derived from national statistical publications, this data set is far from ideal. While the Danish and Swedish data pertain only to manufacturing industry, the Austrian data pertain to both industry and services. The Danish data also exclude plants with fewer than six employees. The former problem is somewhat mitigated by the fact that German data are available in both forms. If you wish, the German data serve as a Rosetta Stone that enables us to compare the Scandinavian and Austrian data in Table 5.

As we saw in Table 2, Austria falls far short of Denmark and Sweden on my index of social democratic policy dominance. For both 1980 and 1990 Austria's score is very close to Germany's. For Austria and Germany alike, government spending as a percentage of GDP is significantly lower than for Denmark and Sweden, and so is the employment rate. With 82 percent of the working-age population employed, Sweden had the highest employment rate of these four (indeed, of all OECD countries) in 1985, followed by Denmark (81 percent), Germany (68 percent), and Austria (66 percent). These differences are primarily a function of variations in the female employment rate (the male/female differential being much smaller in Sweden and Denmark than in Germany and Austria). Furthermore, Bob Rowthorn's analysis shows that wage differentials among blue-collar workers are larger in Austria than in any other European OECD country, with Sweden and

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Denmark leading the OECD league on this score, and Germany ranking in the middle.[38]

Based on these observations and disregarding labor's mobilizational capacity, Sweden ranks as the most social democratized of the four countries in question, closely followed by Denmark. Germany turns out to be more social democratized than Austria, but the main point is that there is a big gap between Sweden and Denmark, on the one hand, and Germany and Austria, on the other hand. Clearly, Pryor's data on average manufacturing plant size bear no relationship to this picture. What is more, the share of manufacturing employment for large plants, shown in Table 5, does not correlate with levels of social democratization, for their share is smallest in Denmark. However, another feature of the distribution of employment shown in Table 5 does speak to the divergence of labor-market outcomes identified above: medium-size plants account for a much smaller share of manufacturing employment in Germany than in Sweden and Denmark, and the same pattern of bifurcation that characterizes the data for German industry appears in the combined industry and services data for Austria as well as for Germany. Along the lines suggested above, Swedish and Danish industrial structure might be said to have been more conducive to labor's pursuit of wage leveling and other solidaristic policy goals than was the German and Austrian industrial structure.

Variations in the public sector's share of total employment in these four countries are also broadly consistent with variations in the extent of social democratization. In 1988 government employment accounted for 31.7 percent of total employment in Sweden, 30.5 percent in Denmark, 20.6 percent in Austria, and 15.1 percent in Germany.[39] Needless to say, the public sector's employment share is closely related to government spending and the overall level of employment. Moreover, the Swedish experience suggests that public sector employers are more inclined to accommodate solidaristic wage demands and that this in turn puts pressure on private sector employers to do so. While the public sector's employment share might be viewed as a consequence rather than a cause of social democratization, this is less obviously the case for the patterns of employment distribution by plant size shown in Table 5. As Franz Traxler suggests, bifurcation is a long-standing

[38] Rowthorn, "Corporatism and Labour Market Performance," in Jukka Pekkarinen, Matti Pohjola, and Rowthorn, eds., *Social Corporatism* (Oxford: Clarendon Press, 1992). For further discussion, figures, and references, see Pontusson, "Trade Unions and the Representation of Worker Interests in Corporatist Political Economies" (Paper presented at the annual meeting of the American Political Science Association, New York, September 1–4, 1994).

[39] OECD, *Economic Outlook: Historical Statistics* (Paris: OECD, various years).

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characteristic of Austrian industrial structure, attributable to the nature and political auspices of industrialization.[40]

In sum, the distribution of manufacturing employment by plant size and the public sector's share of total employment together provide a plausible explanation of levels of social democratization in Austria, Denmark, Germany, and Sweden. The proportion of the total labor force working in private nonindustrial employment constitutes a reasonably strong predictor of levels of social democratization in 1980 and 1990, but not in 1970; and average plant size provides no leverage on the problem of explaining levels of social democratization across all nine cases.

Social Democratic Rollback

We now turn to consider the extent to which the reorganization of manufacturing industry (measured by plant-size data) and changes in overall employment structure shed light on cross-national variations in the extent of social democratic rollback since 1980. The most straightforward way to measure the decline of social democratic mobilizational capacity is to calculate the ratio of 1990 scores to 1980 scores on my mobilization index. The last column of Table 1 presents the results of this procedure and also ranks the countries according to the extent of rollback. Ranked last, Sweden is the only country in which the mobilizational capacity of social democracy did not decline from the late 1970s to the late 1980s.

Applying the same procedure to the index of policy dominance presented in Table 2 would not produce a satisfactory measure of social democratic policy rollback. As explained above, the index is based on employment and government spending rates. While spending rates declined in seven countries, employment rates actually increased in eight of the nine countries, and the offsetting effects that increases in the employment rate would have in such a rollback measure would be misleading for two reasons. First, there are inherent limits to expansion of employment, and increases in employment rates in the 1980s stand in an inverse relation to levels of employment in 1980. Second, lower wages and neoliberal austerity policies seem to have been an important factor in bringing people into the labor force in the 1980s.

Table 6 measures the extent of cuts in government spending in

[40] Traxler, "Austria: Still the Country of Corporatism," in Anthony Ferner and Richard Hyman, eds., *Industrial Relations in the New Europe* (Oxford: Blackwell, 1992), 271.

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terms of the ratio of the government spending rate (current expenditures as a percentage of GDP) in 1990 to the rate in the year that government spending reached its all-time high. By this measure, the rollback of social democratic policy priorities has been greatest in the U.K., and there has been no rollback at all in Norway. On the whole, variations among the nine countries are quite small.

Table 7 provides an alternative measure of policy realignment since 1980. The table compares the average ratio of the rate of inflation to the rate of unemployment in the 1980s to the average ratio in the 1970s, the last column being the product of dividing the ratio for the 1980s by the ratio for the 1970s. Obviously, government policy alone does not determine rates of inflation and unemployment, but this measure captures a new political commitment to the fight against inflation and a willingness to allow unemployment rates to rise. Although this shift in policy priorities is universal, its extent varies significantly across countries. Sweden and, to a lesser extent, Norway stand out as the countries in which the fight against unemployment remained an important policy objective through the 1980s.

Based on data reported in Appendix 1, Figure 7 shows that changes in union density and electoral support for social democratic parties (again measured in terms of ratios) correlate closely in seven of the nine cases. Belgium and especially the Netherlands deviate from the general pattern in that social democratic parties have done relatively well electorally despite significant declines in union density. According to Kitschelt, the Dutch socialists did so well in the 1980s because they distanced themselves from their traditional union allies and appealed to new left-libertarian sentiments within the electorate.[41] My rollback index fails to capture this qualitative change, but my measures of policy rollback should pick it up. Combining measures of mobilization and policy rollback would involve too much loss of precision in the quantitative analysis, but I wish to emphasize that the decline of social democracy is a complex, multifaceted phenomenon that cannot be reduced to any single measure.

Regressing mobilization and policy rollback on levels of social democratization in 1970 and 1980 yields mostly statistically insignificant or very weak results. In only one of these twelve regressions (mobilization rollback on policy dominance in 1980) does the R^2 of the regression exceed 35 percent. By and large, the degree of rollback appears to vary independently of the degree of social democratization: the most

[41] Kitschelt (fn. 2).

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TABLE 6
RATIO OF RATE OF GOVERNMENT SPENDING IN 1990 TO HIGHEST PREVIOUS RATE

Country	*Ratio (Rank)*	*Peak Year*
Austria	.95 (5)	1987
Belgium	.88 (2)	1983
Denmark	.97 (6)	1983
Germany	.94 (4)	1982
Netherlands	.90 (3)	1983
Norway[a]	1.00 (9)	1989
Sweden	.97 (6)	1983
Switzerland	.98 (8)	1984
United Kingdom	.86 (1)	1982

SOURCE: OECD, *Economic Outlook: Historical Statistics* (various years).
[a]Data for 1990 not available.

TABLE 7
RATIO OF INFLATION RATES TO UNEMPLOYMENT RATES[a]

	1968–79	*1980–90*	*Change (Ratios & Ranks)*
Austria	3.63	1.15	.32 (5)
Belguim	1.67	.43	.26 (4)
Denmark	2.39	.80	.33 (6)
Germany	2.24	.43	.19 (2)
Netherlands	2.22	.29	.13 (1)
Norway	5.20	2.63	.51 (8)
Sweden	3.76	3.38	.90 (9)
Switzerland	12.00[b]	5.83	.49 (7)
United Kingdom	3.52	.81	.23 (3)

SOURCE: OECD, *Economic Outlook: Historical Statistics* (various years).
[a]The first two ratios are the products of dividing the average annual rate of growth of the consumer price index by the average annual rate of unemployment for each period. The change ratio in the last column is the product of dividing 1980–90 figures by 1968–79 figures.
[b]For 1975–79 only.

social democratized countries have not been particularly prone to rollback, nor has social democracy been particularly resilient in these countries.

Turning to the independent variables postulated by my theoretical framework, the last column of Table 3 measures intersectoral employment shifts in terms of the ratio of the proportion of the total labor force working in private nonindustrial employment in 1990 to the cor-

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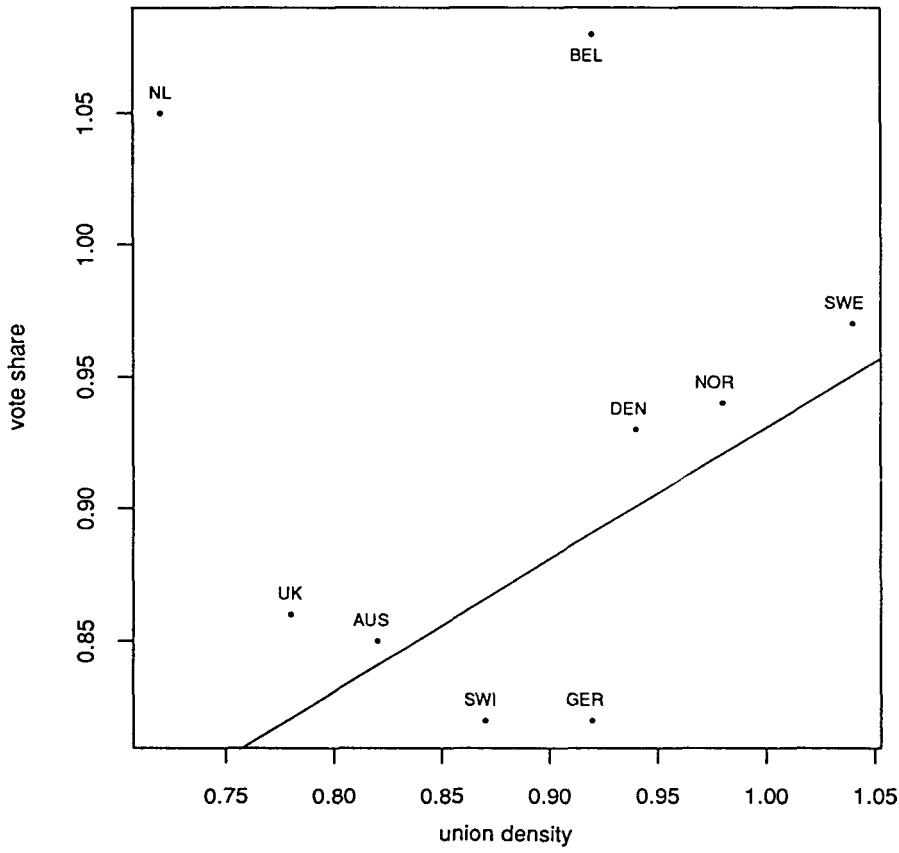

FIGURE 7
CHANGE IN VOTE SHARE AND CHANGE IN UNION DENSITY[a]
[a]Regression line computed excluding Belgium and the Netherlands.

responding figure for 1968. In all nine countries the relative importance of private service employment increased over this period, but in four countries—Austria, Denmark, Norway, and Sweden, the four most commonly associated with social democracy—such increases were more than offset by the decline in agricultural employment. Table 8 shows the evolution of average manufacturing plant size (enterprise size in the Dutch case) from the early 1970s to the late 1980s. As specified in the notes to the table, the data derive from a number of different sources, and definitions vary from one case to another. Based

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TABLE 8
AVERAGE NUMBER OF EMPLOYEES (OR PERSONS ENGAGED) PER MANUFACTURING ESTABLISHMENT (1970–90)

Country[a]	*Early 1970s*[b]	*1979*	*Late 1980s*[c]	*PS Change Early 1970s–Late 1980s (Ratios)*	*Labor Force Change, Early 1970s–Late 1980s (Ratios)*	*Plant-Size Change Residuals*[d]
Austria	96.9	94.9	67.9	.70	.90	-0.291
Belgium	34.2[e]	32.8	30.3[f]	.89	.69	0.139
Denmark	60.3	58.0	54.8	.91	.96	-0.150
Germany	86.9[e]		71.9[g]	.83	.82	-0.070
Netherlands	115.4[h]		87.1	.76	.74	-0.048
Norway	42.0	43.8	44.2	1.05	.83	0.139
Sweden	68.3	82.6	84.2	1.23	.85	0.296
Switzerland	74.9	75.9	84.5	1.13	.79	0.265
U.K.	86.4	63.8	33.3[g]	.39	.62	-0.281

SOURCES: FRG: *Statistisches Jahrbuch für die Bundesrepublik Deutschland* (Stuttgart: Metzler-Poeschel Verlag, 1975, 1991). Netherlands: *Statistical Yearbook of the Netherlands* (1974, 1991). All others: *Yearbook of Industrial Statistics* (New York: United Nations, 1976, 1982, 1989).

[a]Sweden and Norway: employees in establishments with more than 5 persons engaged. Switzerland: persons engaged in establishments subject to the Labor Law. Belgium: employees in all establishments (estimates derived from social security records). FRG: persons in local units of enterprises with 20 or more persons engaged. Denmark: employees in establishments with more than 6 employees. Netherlands: employees in enterprises with more than 10 employees. U.K.: employees in all establishments.

[b]1971 unless otherwise noted.

[c]1988 unless otherwise noted.

[d]The data on labor force change (last column) derive from the same sources and are subject to the same specificiations as the plant-size data; i.e., they refer to change in the numerator used to calculate average plant size.

[e]1973.

[f]1985.

[g]1989.

[h]1970.

on this table, we cannot compare average plant size; we *can*, however, compare rates of change, because definitions are consistent over time for each case.[42]

Average plant size provides a meaningful way to capture the trajectory and rate of organizational change within manufacturing industry so long as we control for changes in the size of the manufacturing

[42] As noted above (fn. 25), there is fairly close correlation between average plant size and the employment share of large plants in the Swedish and British time-series data.

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labor force (also reported in Table 7). The fact that the average size of British manufacturing plants declined by 61 percent from 1971 to 1988 seems incredible until we recognize that the size of the manufacturing labor force declined by 38 percent over the same period. To control for industrial contraction, I have regressed change in average plant size on change in the size of the labor force, and will here use as my measure of industrial reorganization the residuals of this regression (reported in the last column of Table 7), that is, the variations in plant-size change that are not accounted for by the regression of plant-size change on labor force change.[43]

Mobilization Rollback

As reported in Appendix 2, regression 1, regressing mobilization rollback on plant-size change residuals and change in the proportion of the labor force in private nonindustrial employment yields an R^2 of 50.3%. Industrial reorganization explains more of the variation on the dependent variable than intersectoral employment shifts do, but both variables have a significant effect. As Figure 8 illustrates, Switzerland is a major outlier as far as the association between mobilization rollback and industrial reorganization is concerned. In the Swiss case, the trend toward larger units of production in manufacturing industry continued through the 1980s; yet Switzerland stands out as the country with the greatest relative loss of both union membership and social democratic vote share from the late 1970s to the late 1980s. Without the Swiss case, the R^2 of the regression of mobilization rollback on plant-size change residuals and the growth of private nonindustrial employment is 83.8%, and the plant-size variable is of far greater significance than the employment variable (see Appendix 2, regression 2).

Appendix 2 also reports the results of regressing change in union density and change in vote share on both plant-size change residuals and intersectoral employment shifts without the Swiss case (regressions 3–4). These results suggest that both economic-structural variables help explain change in union density, but intersectoral employment shifts provide no leverage whatsoever on change in vote shares. Cross-national variations in the decline of electoral support for social democratic parties are primarily a function of political variables: to the extent that patterns of economic restructuring matter for electoral change, they matter through their effects on political orientations

[43] In each of the regressions reported below, the association between social democratic rollback and decline of average plant size is stronger and more consistent if we use the raw plant-size change figures rather than residuals.

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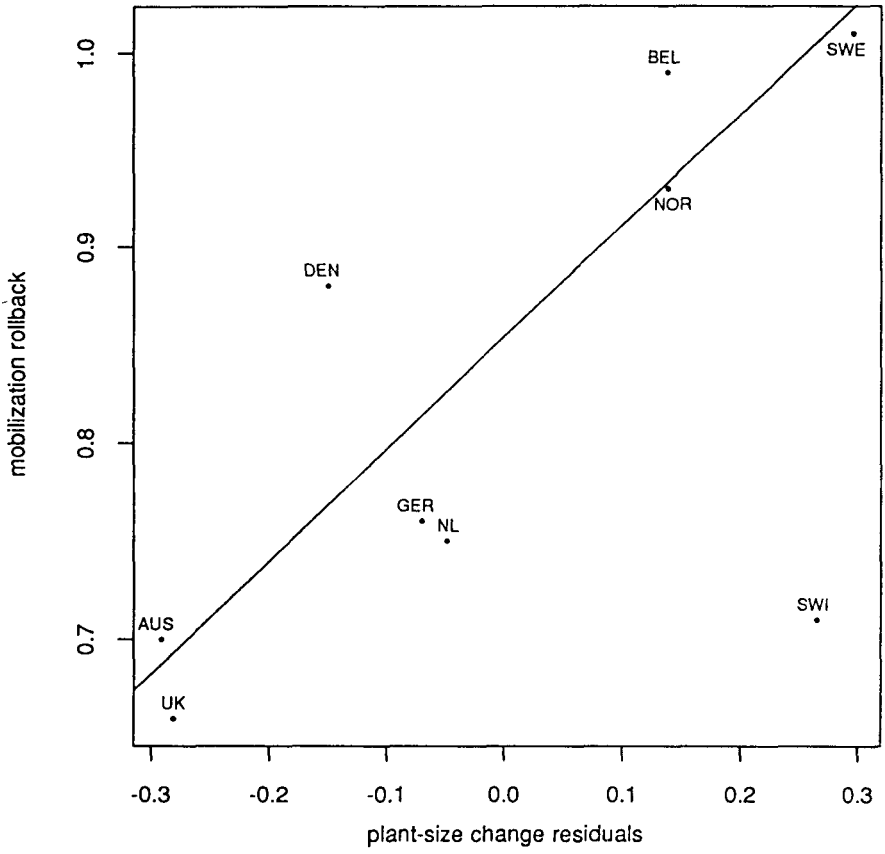

FIGURE 8
MOBILIZATION ROLLBACK AND PLANT-SIZE CHANGE RESIDUALS[a]
[a]Regression line computed excluding Switzerland.

among people employed in industry (for example, skilled workers abandoning the British Labour Party).

Finally, it should be noted that this data set does not provide any support for the contention that the electoral effects of industrial reorganization are mediated by its effects on union density. Regressing change in vote share on plant-size change residuals and change in union density, with and without Switzerland, the coefficient for change in union density is not statistically significant. This should come as no surprise, given the divergence of union density and electoral trends in the Belgian and Dutch cases (compare Figure 7).

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Policy Rollback

For all nine cases the R^2 of the regression of my measure of change in government spending rates on plant-size change residuals and intersectoral employment shifts is 75.3% (see Appendix 2, regression 5). With change in the trade-off between inflation and unemployment as the dependent variable, the same independent variables yield an R^2 of 59.3% (regression 6). In each of these regressions both independent variables have statistically significant coefficients. Intersectoral employment shifts predict more of the cross-national variations in expenditure cutbacks than do plant-size change residuals, but the reverse is the case for changes in the trade-off between inflation and unemployment.

Changes in union density correlate fairly closely with both change in rates of government spending and change in the trade-off of inflation to unemployment. When this variable is introduced into multiple regressions, the effects of change in plant-size residuals on change in government spending rates more or less vanish, as do the effects of intersectoral employment shifts on change in the trade-off of inflation to unemployment (see Appendix 2, regressions 7–10). These results suggest that union density may be an important intervening variable in the relationship between economic-structural changes and policy rollback.

To summarize, industrial reorganization, as measured by plant-size change residuals, provides a very good predictor of cross-national variations in mobilization rollback if we ignore the Swiss case. (The theoretical framework set out above does not provide any ready explanation of Swiss exceptionalism; to address this question would require further qualitative research.) The effects of industrial reorganization on change in union density are greater than its effects on change in vote shares. The growth of private nonindustrial employment also correlates with mobilization rollback, but its effects are smaller than the effects of industrial reorganization and pertain entirely to changes in union density. Taken together, industrial reorganization and intersectoral employment shifts predict 60–75 percent of cross-national variation in policy rollback. Union density appears to be an important intervening variable between economic-structural changes and policy rollback.

Conclusion

Yet another summary of my empirical results would be redundant. Suffice it say that all three analytical exercises, drawing on different sources and types of data, suggest that there is a consistent, patterned

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relationship between industrial organization and employment structure, on the one hand, and the mobilizational capacity and policy influence of social democratic labor movements, on the other.

My analysis invites two kinds of objections concerning the causal mechanisms at work here. To begin with, a skeptical reader, especially a political scientist, might suspect that the causal arrows run in the opposite direction to that which I have posited; that is, that social democratization promotes industrial employment and/or public service employment (hence less private nonindustrial employment) and also promotes the concentration of manufacturing employment in larger units of production. Thus the decline of social democracy might be construed as a cause rather than an effect of industrial reorganization and intersectoral employment shifts or, more precisely, as a cause of cross-national variation in the extent of economic-structural change. Alternatively, a skeptical reader might suspect that the association between economic-structural variables and the decline of social democracy is due to the causal effects of some "lurking variable," for instance, the integration of the European economies. In other words, there might not be any direct causal relationship between the variables in my analysis.

The case for reverse causality is especially plausible as far as the relationship between social democracy and the intersectoral distribution of employment is concerned, for levels of social democratization correlate quite closely with the size of the public sector. With respect to the relationship between industrial reorganization and decline of social democracy, one might well argue that mass unemployment as well as deregulation and other supply-side measures associated with the rise of conservative (neoliberal) political forces have provided an economic environment particularly favorable to small business, the expansion of which has brought down average plant size. While there may be important feedback effects at work here, my data strongly suggest that changes in industrial organization deserve analytical primacy and cannot be adequately explained as effects of political change.

As noted above, the Swedish time-series data show that large plants' share of manufacturing employment began to rise in the 1920s, prior to the political ascendancy of social democracy in the 1930s. More decisively, the British time-series data show that the decline of large plants' employment share began a decade or so before the decline of union density. Table 8 also speaks to the question of timing: in the four cases of plant-size decline for which there is data for 1979, the decline of average plant size had already begun in the 1970s, when social democratization was still ongoing.

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In a different vein, the argument for reverse causality might be tested by regressing structural economic changes on levels of social democratization in 1970, for the argument would lead us expect the greatest decline of plant size and growth of private nonindustrial employment in countries where social democracy was weak to begin with. Regressing plant-size change residuals on my index of social democratic mobilization for 1970 does not yield any statistically significant results, and the association between plant-size change residuals and my index of policy dominance for 1970 is only barely significant (coefficient=0.028, standard error=0.028, R^2=12.8%). Indeed, social democratic mobilization and policy dominance in 1970 also turn out to be poor predictors of the growth of private nonindustrial employment (for mobilization, coefficient=-0.011, standard error=0.006, R^2=34.3%; and for policy dominance, the coefficient is not statistically significant).

Turning to the question of lurking variables, this objection must first be distinguished from the observation that my analysis does not provide any explanation of cross-national variation in the extent of industrial reorganization or intersectoral employment shifts. To explain why average manufacturing plant size has declined more or less in different countries would require a careful analysis of the sectoral composition of manufacturing industry and of market pressures for change within particular industrial sectors (and subsectors). I would expect such an analysis to show that advanced capitalist economies differ in terms of their insertion into the world economy, and that changes in the dynamics of international competition therefore affect them differently, but I have not undertaken the research necessary to sustain this claim.[44] While the preceding analysis of the political implications of economic restructuring invites an explanation of why the nature and extent of economic restructuring varies across countries, it does not require such an explanation.

The lurking-variable objection is not about the absence of an explanation of variations on the independent variable. Rather, the objection concerns the possibility that there is some unexamined variable(s) which independently explains the observed variations on both my dependent variable (decline of social democracy) and the variables that my analysis posits as independent variables (industrial reorganization

[44] Elements of the kind of analysis that would be necessary to explain cross-national differences in industrial reorganization are developed by Lars Mjöset, "Nordic Economic Policies," *International Organization* 47 (Summer 1987); and Robert Boyer, "New Directions in Management Practices and Work Organization" (Revised draft of paper presented at the OECD conference on Technical Change as a Social Process, Helsinki, December 11–13, 1989).

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and intersectoral employment shifts). It is impossible to respond to this objection without reference to specific lurking-variable candidates and, in a sense, the burden of proof and of causal argumentation falls on the (imagined) objector.

As a crude test for lurking variables, I have calculated change in export dependence (exports as a percentage of GDP) from 1970 to 1990 and change in average annual (real-GDP) growth rates from the period 1968–79 to the period 1979–90 for my nine cases, and regressed my three dependent variables (mobilization rollback, public expenditure cuts, and change in the inflation-unemployment trade-off) on all possible combinations of one of these variables and one of my measures of structural-economic change (plant-size change residuals and intersectoral employment shifts).[45] This exercise yields a total of twelve regressions, each with two independent variables. In none of these regressions does the inclusion of export dependence or growth significantly alter the correlations between the dependent and independent variables reported above. Moreover, the coefficient for the plant-size/employment variable is greater than the coefficient for the export/growth variable in all but one of these regressions (and the t-ratio is greater in all twelve). In short, these crude measures of change in export dependence and economic performance have less predictive power than my economic-structural variables, and most certainly do not have the effects that one would expect a lurking variable to have.

In my own view, the most serious limitation of the preceding analysis concerns the failure (for lack of data) to discriminate between different causal hypotheses linking plant size to political outcomes. My principal findings—that the employment share of large plants covaries with social democratic strength over time and that change in average plant size covaries with social democratic rollback across countries—are consistent with any and all of the three causal mechanisms posited at the outset—worker consciousness, ease of collective organization, and relative homogeneity of worker interests. However, my analysis suggests a few additional observations on this score. (1) While union density constitutes an intervening variable between industrial reorganization and policy rollback, industrial organization has political effects independent of its effects on union density. (2) The degree of bifurcation of employment by plant size is an important variable in ex-

[45] As with my other variables, change in export dependence is here measured as the ratio of exports as percentage of GDP in 1990 to exports as percentage of GDP in 1970, and change in growth rates is measured as the ratio of the average annual growth rate in 1979–90 to the corresponding figure for 1968–79; all data from OECD (fn. 39).

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plaining levels of social democratization on a cross-national basis, and this finding supports the argument about relative homogeneity of worker interests. (3) The absence of any consistent relationship between average plant size and levels of social democratization casts doubts on the argument about worker consciousness. (4) The comparative analysis of social democratic rollback indicates that the political effects of industrial reorganization manifest themselves rather quickly, certainly within the span of a decade, and this too casts doubts on the argument about worker consciousness, which rests on socialization and hence would seem to imply a significant time lag between industrial reorganization and political change. On these grounds, I am inclined to think that plant size and employment distribution by plant size matter to the politics of social democracy primarily because of their effects on collective organization and the relative homogeneity of worker interests. Further, more qualitatively oriented research is clearly necessary to explore these causal linkages.

To return to my opening paragraphs, I do not wish to imply that strategic choices by unions and social democratic parties are of no consequence. The point of my analysis is simply that the challenges confronting social democratic labor movements in the current era of economic restructuring vary on a cross-national basis. To assess the significance of strategic choice requires that we control for such variations.

Appendix 1: Union Density and Vote-Share Data

Employed Union Members as Percentage of Employed Labor Force

	1970	*1980*	*1990*	*1980–90 change (ratios)*
Austria	62.2	56.2	46.2	.82
Belgium	45.5	55.9	51.2	.92
Denmark	60.0	76.0	71.4	.94
Germany	33.0	35.6	32.9	.92
Netherlands	38.0	35.3	25.5	.72
Norway	51.4	56.9	56.0	.98
Sweden	67.7	79.7	82.5	1.04
Switzerland	30.1	30.7	26.6	.87
U.K.	44.8	50.4	39.1	.78

SOURCE: OECD, *Employment Outlook* (July 1994), 184.

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AVERAGE SOCIAL DEMOCRATIC SHARE OF THE POPULAR VOTE IN PARLIAMENTARY ELECTIONS

	1970	*1980*	*1990*	*1980–90 change (ratios)*
Austria	47.0	50.7	43.1	.85
Belgium	27.8	26.1	28.2	1.08
Denmark	36.6	34.5	32.2	.93
Germany	41.0	42.8	35.3	.82
Netherlands	24.1	31.1	32.6	1.05
Norway	44.8	39.8	37.6	.94
Sweden	47.7	43.0	41.8	.97
Switzerland	23.2	23.9	19.7	.82
U.K.	45.6	37.8	32.6	.86

SOURCES: Mackie and Rose, eds., *International Almanac of Electoral History*, 3d ed. (Washington, D.C., 1991); *The World Factbook 1993* (Washington, D.C.: CIA, 1993).

APPENDIX 2: MULTIPLE REGRESSION RESULTS

1. Mobilization rollback on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force (R^2=50.3%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	1.1272	0.2435	4.45	0.0043
plant size	0.3589	0.1737	2.07	0.0843
employment	–0.2800	0.2295	–1.22	0.2683

2. Mobilization rollback on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force without Switzerland (R^2=83.8%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	1.0259	0.1531	6.70	0.0011
plant size	0.5497	0.1167	4.71	0.0053
employment	-0.1595	0.1405	–1.14	0.3076

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3. Change in union density on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force without Switzerland (R^2=70.4%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	1.2118	0.1651	7.34	0.0007
plant size	0.3178	0.1258	2.53	0.0528
employment	−0.2876	0.1514	−1.90	0.1160

4. Change in social democratic vote share on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force without Switzerland (R^2=43.5%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	0.7683	0.1991	3.86	0.0119
plant size	0.2830	0.1517	1.87	0.1212
employment	0.1649	0.1826	0.903	0.4078

5. Change in rate of government spending on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force (R^2=75.3%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	1.1784	0.0649	18.2	0.0001
plant size	0.0842	0.0445	1.89	0.1073
employment	−0.2191	0.0588	−3.73	0.0098

6. Change in inflation-unemployment trade-off on plant-size change residuals and change in private nonindustrial employment as percentage of total labor force (R^2=59.3%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	0.9637	0.4048	2.38	0.0547
plant size	0.6873	0.2773	2.48	0.0479
employment	−0.5400	0.3665	−1.47	0.1911

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7. Change in rate of government spending on plant-size change residuals and change in union density (R^2=37.6%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	0.7057	0.1714	4.12	0.0062
plant size	0.0223	0.0878	0.254	0.8080
union density	0.2627	0.1924	1.37	0.2210

8. Change in rate of government spending on change in private nonindustrial employment as percentage of total labor force and change in union density (R^2=64.6%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	1.0386	0.1959	5.30	0.0018
employment	−0.1854	0.0858	−2.16	0.0739
union density	0.1160	0.1422	0.816	0.4457

9. Change in inflation-unemployment trade-off on plant-size change residuals and change in union density (R^2=62.2%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	−0.7039	0.6482	−1.09	0.3192
plant size	0.3813	0.3320	1.15	0.2945
union density	1.2134	0.7274	1.67	0.1464

10. Change in inflation-unemployment trade-off on change in private nonindustrial employment as percentage of total labor force and change in union density (R^2=53.9%)

variable	*coefficient*	*stand error*	*t-ratio*	*prob*
constant	−1.1401	1.085	−1.05	0.3340
employment	−0.0024	0.4752	−0.005	0.9962
union density	1.7077	0.7877	2.17	0.0733

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INTERVENTION AND INTRANSITIVITY
Public Opinion, Social Choice, and the Use of Military Force Abroad

By KURT TAYLOR GAUBATZ*

WE have watched with horror the unceasing and brutal unfolding of events in the former Yugoslavia. And while there are some analysts who proffer simple answers for this complex and difficult situation, the majority response seems to be one of indecision. On a number of occasions the American administration has indicated a readiness to use military force to deal with a situation that seems as insoluble as it is intolerable; but a sustained and coherent policy has proved hard to come by. The public response has been similarly inchoate. In 1992 and 1993 different polls found as little as 12 percent or as much as 94 percent of the population supportive of American military action in Bosnia or similar situations.[1] Contrary to some recent assertions about the underlying stability and rationality of aggregate public opinion, such incoherence has not been unusual in public responses to recent questions about the use of military force abroad. Somalia, the Persian Gulf, Central America, Panama, Grenada, Lebanon, and of course Vietnam all generated public discussions that contained elements of considerable indeterminacy.

The most common explanations for the unstable and indeterminate nature of aggregate public opinion focus on the problems of question wording and on the underlying incoherence in the way that members

* The author thanks James Lee Ray, John Ferejohn, John Zaller, Paul Sniderman, and Kathlyn Taylor Gaubatz for critical readings of an earlier draft.

[1] The 12% figure comes from an ABC News poll on May 6, 1993, when respondents were asked if the U.S. should try to stop the fighting if the Europeans refuse to help. The 94% figure comes from an Americans Talk Issues/W. Alton Jones Foundation poll in the last week of March 1993, when respondents were asked if they find the use of military force to ensure the delivery of food and relief supplies in conflict situations like Bosnia or Somalia a "preferable or somewhat preferable option." In that same poll, the use of sufficient force to arrest the leaders of the warring parties and bring them to trial before a world court was preferred or somewhat preferred by 83% of the respondents. These and most of the other poll results used in this paper were provided by the Roper Center for Public Opinion Research.

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of the public think—or more aptly *fail to think*—about public policy in general and foreign policy in particular. These are clearly important issues that have generated considerable discussion in the literature on public opinion and foreign policy. The focus here, however, will be on a phenomenon that Bruce Russett has called "a key point missed by all existing theories [of the structure of belief systems]."[2] I contend that the indeterminacy of public opinion in recent policy debates about military intervention may owe as much to intransitivities in the underlying distribution of public preferences as to the technical difficulties of polling or the inherent complexity and seriousness of the issues in question.

The Confusion of Public Attitudes about Military Intervention

One of the dynamics driving the study of public opinion and foreign policy has been the debate over whether in fact the public cares about foreign policy and, if it does, whether or not public opinion makes any difference in the policy process.[3] This debate is a subset of a larger discussion about the nature of public opinion in general.[4] But foreign policy has been seen as a particularly acute forum for problems in the assessment of public opinion. This situation should not surprise us in the case of issues that are complex and distant. The public would be unlikely to have sophisticated views on the fine points of arms control and trade agreements. It is more surprising to find a high degree of incoherence, uncertainty, and instability on high-profile issues of international conflict. There are, in fact, significant gaps in public knowledge on these issues.[5]

[2] Bruce Russett, *Controlling the Sword: The Democratic Governance of National Security* (Cambridge: Harvard University Press, 1990), 88.

[3] For a useful overview of this debate, see Russett (fn. 2). See also Benjamin Page and Robert Shapiro, *The Rational Public: Fifty Years of Trends in Americans' Policy Preferences* (Chicago: University of Chicago Press, 1991); John Aldrich, John Sullivan, and Eugene Borgida, "Foreign Affairs and Issue Voting: Do Presidential Candidates Waltz before a Blind Audience?" *American Political Science Review* 83 (March 1989); Robert Shapiro and Lawrence Jacobs, "The Relationship between Public Opinion and Public Policy: A Review," in Samuel Long, ed., *Political Behavior Annual*, vol. 2 (Boulder, Colo.: Westview Press, 1989); Robert Shapiro and Benjamin Page, "Foreign Policy and the Rational Public," *Journal of Conflict Resolution* 32 (June 1988); Bernard Cohen, *The Public's Impact on Foreign Policy* (Boston: Little Brown, 1973).

[4] See Philip Converse, "The Nature of Belief Systems in Mass Publics," in David Apter, ed., *Ideology and Discontent* (New York: Free Press, 1964); Richard Niemi and Herbert Weisberg, eds., *Controversies in American Voting Behavior* (Washington, D.C.: Congressional Quarterly Press, 1984); John Zaller, *The Nature and Origins of Mass Opinion* (Cambridge: Cambridge University Press, 1992).

[5] A dramatic example of the lack of knowledge in this area is suggested by the fact that in January 1979, only 23% of the population could correctly identify the two nations involved in the SALT negotiations. See Thomas Graham, "The Pattern and Importance of Public Knowledge in the Nuclear Age," *Journal of Conflict Resolution* 32 (June 1988).

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It is not difficult to find examples of foreign policy attitudes that seem inconsistent or that fail to fit cleanly on the expected political spectrum, even for many highly dramatic foreign policy conflicts. On May 6, 1993, pollsters made two separate attempts to assess American attitudes toward the use of air strikes in Bosnia—and reached strikingly different conclusions.[6] A Gallup/CNN/USA Today poll found that 36 percent of the respondents supported U.S. air strikes in Bosnia. On the same day, an ABC News poll found that 65 percent supported air strikes. The critical difference in this case was the inclusion of the phrase "along with its allies in Europe" for the second poll.[7] Such sensitivity to context has long been endemic to opinion polling on these kinds of issues. Sidney Verba and his coauthors argued in 1967 that public attitudes were consistent and well ordered but did not fit the standard hawk/dove categories. While 88 percent of the public was willing to negotiate with the Vietcong, 81 percent opposed immediate withdrawal.[8] Even before the advent of television and other insidious mechanisms for diminishing collective intelligence, polling on foreign policy issues revealed both inconsistencies and a very high sensitivity to context and question wording. Public-opinion polling in the period leading up to the American election of 1940 showed the public overwhelmingly supportive of Roosevelt's foreign policy. Despite strong opposition on the part of many isolationist leaders, two-thirds of the public favored giving the British and the French as much help as they wanted, short of sending the army and navy. At the same time, a very large majority wanted the government "to keep us out of war, unless we are attacked, no matter what happens abroad."[9]

The first class of explanations for the apparent incoherence of foreign policy opinions focuses on the basic inability of the general public to form and express opinions. The reason we do not see coherent aggregate public opinion, according to this view, is that individuals do not have coherent attitudes: foreign policy is simply too complex and too remote for most of them.[10] John Zaller presents a strong formula-

[6] John Brennan, "Why Polls Can Be Poles Apart," *Los Angeles Times*, May 20, 1993, p. A5.

[7] Ibid.

[8] Sidney Verba et al., "Public Opinion and the War in Vietnam," *American Political Science Review* 61 (June 1967).

[9] See Robert Divine, *Foreign Policy and U.S. Presidential Elections, 1940–1948,* vol. 1 (New York: New Viewpoints, 1974), chap. 1; Michael Leigh, *Mobilizing Consent: Public Opinion and American Foreign Policy, 1937–1947* (Westport, Conn.: Greenwood Press, 1976), 29–51.

[10] The foundational text for this perspective is Converse (fn. 4). See also Zaller (fn. 4), esp. chap. 5.

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tion of this view in his discussion of public opinion surrounding the Gulf War:

> [M]ost people, on most issues, do not "really think" any particular thing. With respect to a major issue like the Gulf crisis, for example, most people monitor the news to some extent and collect information, but they rarely if ever have occasion to pull everything together into a single, coherent opinion.[11]

The second class of explanations for the incoherence of poll results focuses on the technical difficulties of crafting effective polls.[12] Thus, even those who expect individuals to have genuine and consistent attitudes about foreign policy issues have reason to expect incoherent polling data. In particular, there is a broad literature on the sensitivity of polls to minor changes in question wording or even in question order. Subtle differences can change the way respondents interpret questions, because the words that make up questions carry substantive and emotional contexts and provide cues that will bias the responses.[13]

> [T]wo polls taken at the same time on the same topic sometimes will produce results that appear to differ, perhaps substantially. . . . An examination of the data usually reveals differences in questionnaire wording that do not seem very large but are influencing the responses.[14]

My goal here is to demonstrate the importance of a third class of issues that can make the identification and interpretation of aggregate public opinion problematic. This class consists of structural problems that emerge from basic difficulties in the logic of aggregating individual preferences into social choices. Although the basic nature of these social choice problems has been well known and intensively studied for a number of years now, their strong implications for the study of public opinion have been remarkably underappreciated. I offer here first a brief review of the social choice problem. I then turn to a general discussion of the distribution of public attitudes toward the use of mili-

[11] John Zaller, "Elite Leadership of Mass Opinion: New Evidence from the Gulf War," in Lance Bennett and David Paletz, eds., *Taken by Storm: The Media, Public Opinion, and U.S. Foreign Policy in the Gulf War* (Chicago: University of Chicago Press, 1994), 194.

[12] Howard Schuman and Stanley Presser, *Questions and Answers in Attitude Surveys: Experiments on Question Form, Wording, and Context* (New York: Academic Press, 1981); Brad Lockerbie and Stephen Borrelli, "Question Wording and Public Support for Contra Aid, 1983–1986," *Public Opinion Quarterly* 54 (Summer 1990).

[13] John Mueller, *Policy and Opinion in the Gulf War* (Chicago: University of Chicago Press, 1994), chap. 1. For an argument about the effects of these factors on concrete choices, see, for example, Amos Tversky and Daniel Kahneman, "The Framing of Decisions and the Psychology of Choice," in Robin Hogarth, ed., *Question Framing and Response Consistency* (San Francisco: Jossey-Bass, 1982).

[14] Norman Bradburn and Seymour Sudman, *Polls and Surveys: Understanding What They Tell Us* (San Francisco: Jossey-Bass, 1988), 146.

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tary force abroad, using intervention in the Persian Gulf War as a specific example to illustrate these dynamics.

Social Choice Theory and the Problem of Intransitivity

As a graduate student, the Nobel prize–winning economist Kenneth Arrow became interested in the question of whether or not nations could be said to have preferences. This interest led to his landmark book, *Social Choice and Individual Values*, in which he shows that logically there is no reasonable voting mechanism for aggregating diverse opinions into coherent societal choices.[15] Philosophers had recognized the basic nature of this problem by the Middle Ages, when the particular concern was with designing procedures for aggregating preferences in the selection of religious leaders. Later, with the rise of democratic thought in the eighteenth and nineteenth centuries, the issue was raised again by the French philosopher Condorcet and by the English mathematician and philosopher Charles Dodgson (better known as Lewis Carroll).[16]

One of the central elements in Arrow's formulation of the social choice problem is the concept of transitivity. Transitivity is a familiar concept to those who remember grammar school math: if a>b and b>c then a>c. In the analysis of behavior the transitivity rule simply means that if some outcome a is preferred to some outcome b, and that outcome b is preferred to an outcome c, then outcome a should be preferred to outcome c. This simple principle is the basic underpinning of rationality. Of course, many political scientists are happy to abandon the notion of rationality, especially as applied to the mass public. But transitivity is not a concept that should be abandoned cavalierly.[17] Few public opinion polls have been conducted in a way that allows the

[15] Arrow, *Social Choice and Individual Values* (1951; reprint, New Haven: Yale University Press, 1963). Arrow presents four criteria for a desirable social choice function and argues that logically there is no function that can satisfy all four criteria at once. Those criteria are:

1. The choice function should be able to deal with every possible ordering of preferences.
2. If everyone in the society prefers option x to option y, then society should prefer x to y.
3. The preference ranking of any two options should be independent of the inclusion or exclusion of any third option.
4. No one should be a dictator; that is, no one individual's preference should become society's preference irrespective of the preferences of everyone else.

[16] McLean argues that the basic problem was independently discovered three different times. Two good introductions to social choice theory and voting problems are Iain McLean, *Public Choice: An Introduction* (Oxford: Basil Blackwell, 1987); and William Riker, *Liberalism against Populism: A Confrontation between the Theory of Democracy and the Theory of Social Choice* (San Francisco: W. H. Freeman, 1982).

[17] Riker (fn. 16), 130.

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transitivity issue to be addressed. Without some indicator of when it is a problem and when it is not, any claims to understand or express an aggregate sense of public opinion will be suspect.

A simple illustration should demonstrate the nature of the intransitivity problem. Suppose that there are three voters, or three similarly sized groups of voters—A,B,C—and three choices—white, gray, and black. Table 1 indicates the preferences of voters A, B, and C for the three colors. For each voter the top color is the first choice, the second is the second choice, and the bottom color is the least preferred outcome.

Even if there were no ambiguities in question wording and we were quite certain about the stability and sincerity of these preferences, it would be very difficult to identify something that we would want to think of as "public opinion" in an aggregate sense in this example. How we ask the questions will determine what we see as aggregate opinion. If we ask each person to identify his or her favorite color, we will find that one-third of the group likes each color. If we ask people if they prefer white or black, we will find that two-thirds prefer white. Similar questions will also reveal, however, that gray is preferred to white, and that black is preferred to gray by the same margins. At the aggregate level these preferences are intransitive. Following the voting analogy, we would say that there is a cycle in this structure of preferences: an attempt to find a social preference by majority vote could get stuck cycling through the alternatives indefinitely, since white beats black, and black beats gray, but gray in turn beats white.

On the face of it, this simplistic illustration may seem highly artificial. Unfortunately, it is all too real, and the problems of cycling have been shown to be all the more pernicious when the situation is made more complex. The gist of the considerable work that has been done on the social choice problem is that whenever there are two or more dimensions on which an issue can be evaluated, it is highly unlikely that there will be a natural majority rule equilibrium.[18] Cycles in the majority preference lead to a situation where the order in which alternatives are evaluated determines the outcome. Indeed, McKelvey has shown that with the right order and with a few quite unrestrictive assumptions about the nature of preference distributions, *any* alternative can emerge as the social choice.[19] This result suggests a critical role for

[18] Charles Plott, "A Notion of Equilibrium and Its Possibility under Majority Rule," *American Economic Review* 57 (September 1967); Gerald Kramer, "On a Class of Equilibrium Conditions for Majority Rule," *Econometrica* 41 (March 1973).

[19] Richard McKelvey, "Intransitivities in Multidimensional Voting Models and Some Implications for Agenda Control," *Journal of Economic Theory* 12 (June 1976).

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TABLE 1
THE SOCIAL CHOICE PROBLEM ILLUSTRATED

A	*B*	*C*
White	Black	Gray
Black	Gray	White
Gray	White	Black

the ways in which alternatives are expressed and understood in the process of polling public opinion.[20] The way that questions are asked—the order in which alternatives are compared in an absolute sense, not simply in the sense of cuing or framing—may be more critical to our sense of what public opinion is on an issue than the actual underlying distribution of preferences.[21] For social choice analysts the bottom line is that it is unlikely that aggregations of opinion will reflect a notion of democratic preference in any philosophically acceptable way.[22]

The problems inherent in the conceptualization of social choice are well known. Economists and those studying formal models of legislative choice have made considerable strides in the enumeration and analysis of these dynamics. Most political scientists are surely aware of the basic shape of these problems. Nonetheless, the logical dilemmas attendant to social choice problems have been virtually ignored in the study of public opinion in general and of public opinion and foreign policy in particular. A consideration of American public opinion on the question of military intervention illustrates the potential problems raised by these issues and demonstrates that these questions are not simply academic or restricted to highly artificial and constructed examples.

POPULAR PREFERENCES AND THE ISSUE OF MILITARY INTERVENTION

The presence of more than two actors is a sine qua non in the study of public opinion. The critical question, then, is the presence of two or more dimensions. It is tempting to think of military intervention along

[20] Peter Ordeshook and Thomas Schwartz. "Agendas and the Control of Political Outcomes," *American Political Science Review* 81 (March 1987).

[21] Kenneth Shepsle, "Institutional Arrangements and Equilibrium in Multidimensional Voting Models," *American Journal of Political Science* 23 (February 1979); William Riker, "Implications from the Disequilibrium of Majority Rule for the Study of Institutions," *American Political Science Review* 74 (June 1980).

[22] See Riker (fn. 16).

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a single hawk/dove continuum. But there are clearly other dimensions at work as well. At a minimum, there may be differing perceptions of the seriousness of a given threat to national interest and the expected costs of intervention. Not even the most ardent interventionist is going to advocate World War II levels of mobilization to deal with Grenada levels of threat to the national interest. Likewise, none but the most religiously motivated pacifist is going to object to a Grenada level of effort that clearly prevents a World War II level of threat. The higher the costs of intervention, the more effective a case for intervention leaders will have to make. An intervention that is supported because of an expectation of low costs will quickly lose its public support if it turns out to involve very high costs.

In most cases the expectations about relative costs and benefits will be strongly influenced by underlying beliefs about the nature of international politics and the role of force. In this regard there is a consistent thread in the analysis of public opinion in this issue-area that rejects the single hawk/dove division and points to the presence of at least two dimensions and often more.[23] Ronald Hinckley identifies three dimensions reflected in the foreign policy attitudes of the American public.[24] The first dimension is support for the use of military force. The second is the support for international involvement—the isolationist/internationalist dimension. The third dimension subdivides those in favor of international involvement according to whether they prefer unilateral or multilateral action. Reviewing a number of opinion polls and the broad literature on public opinion on foreign policy issues, he developed a summary of the distribution of popular attitudes, presented here as Table 2.

Hinckley concluded on the basis of his typology that the foreign policy debate both among the public and at the elite level would

> focus on one specific policy after another with opinion coalitions forming and shifting on the basis of whether the particular issue involves the United States

[23] Eugene Wittkopf has been particularly active in analyzing the underlying dimensions of American foreign policy attitudes. See, for example, Wittkopf and Charles Kegley, "Beyond Consensus: The Domestic Context of American Foreign Policy," *International Journal* 38 (Winter 1982–83), 86–92. For another detailed discussion of the dimensionality of foreign policy attitudes, see William Chittick, Keith Billingsley, and Rick Travis, "A Taxonomy of Foreign Policy Beliefs" (Paper presented at the annual meeting of the American Political Science Association, Chicago, September 1992).

[24] Ronald Hinckley, "Public Attitudes toward Key Foreign Policy Events," *Journal of Conflict Resolution* 32 (June 1988). The advantage of Hinckley's take on the dimensionality issue is that he provides a clear breakdown by percentages, suggests plausible demographic correlates, and makes a case for the stability of these dimensions over the entire postwar era.

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TABLE 2
HINCKLEY'S TYPOLOGY OF ATTITUDES

		International Involvement		
		Unilateralist	*Multilateralist*	*Isolationist*
Use of military force abroad	Yes	Hard-liner (18%)	Internationalist (26%)	Forceful (13%)
	No	Soft (7%)	Accommodationist (19%)	Restrained (17%)

SOURCE: Hinckley (fn. 24), 301

in international affairs, how it involves America in those affairs, and what the military implications of that involvement are, regardless of the real objective of the particular policy.[25]

Hinckley is surely right about the dangers of shifting coalitions, but a more careful consideration of this distribution of attitudes in light of the transitivity problem reveals that the problem may be even more insidious. Coalitions may change not just from issue to issue; but even on a single issue simultaneous coalitions may form around different positions with no clearly superior aggregate social choice. These dynamics can be concretely illustrated with an examination of public opinion in the recent Persian Gulf War.

A CASE IN POINT: THE GULF WAR

Public attitudes toward the use of military force to reverse the Iraqi invasion of Kuwait in 1990 reflect many of the dynamics of opinion complexity discussed above. Consider the following three poll results, all obtained about the same time in the fall of 1990.[26]

—Seventy percent of the public agreed that the United States should take "all necessary action, including the use of military force, to make sure Iraq withdraws its forces from Kuwait."

—Forty-five percent agreed that the United States should "engage in combat if Iraq . . . refuses to leave Kuwait."

—Thirty-two percent agreed that "the United States should increase the level of its troops to force Iraq to leave Kuwait."

[25] Ibid., 316.

[26] Zaller (fn. 11), 195. For a more extensive survey of public opinion trends during the Persian Gulf War, see Mueller (fn. 13).

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Obviously there were important differences of wording and context in the way these three questions were asked. Mueller argues that changes in question wording led to a difference of more than 40 percentage points in support for a hard-line approach to the Iraqi invasion of Kuwait.[27] But why is it that changing wording alters the apparent distribution of attitudes? It is plausible that the dilemmas of defining a public choice are at work here. If we look at the distribution of American attitudes toward the use of military force as described by Hinckley, it is not difficult to construct a structural explanation for the apparent inconsistencies in public preferences as interpreted through the medium of opinion polling.

In broad terms, there were four approaches for dealing with the Iraqi invasion of Kuwait. They are listed here with a code letter that will be used in the subsequent analysis.

1. W=withdrawal, doing nothing
2. S=multilateral sanctions
3. U=unilateral military intervention
4. M=multilateral military intervention

If one assumes that the preferences for these four options come from the underlying distribution of attitudes identified by Hinckley, then certain kinds of aggregate opinions are to be expected. If the choice were presented as "use military force" versus "do not use military force," as Hinckley presents it and as it is often presented in the polls, the division might be based on the row marginals in Table 2. Fifty-seven percent of the population would be in favor of intervention (hard-liners, multilateralists, and forceful isolationists), while 43 percent would be opposed (soft unilateralists, accommodationist multilateralists, and restrained isolationists). If, however, one throws in the question of multilateral versus unilateral intervention and the question of multilateral sanctions, the picture could look quite different. For each of the six kinds of attitudes identified by Hinckley, I propose a plausible distribution of preferences. These are then summarized in Table 3.

1. *Unilateral hard-liners* (18 percent). Presumably this segment of the public would prefer unilateral military interention. Since unilateral hard-liners favor a more activist American role in the international system, their second choice would be multilateral military intervention should they fail to achieve their first goal. Their third, grudging, choice would be multilateral sanctions. At the bottom of the list would be withdrawal.

[27] John Mueller, "American Public Opinion and the Gulf War: Some Polling Issues," *Public Opinion Quarterly* 57 (Spring 1993).

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TABLE 3
PREFERENCE ORDERINGS[a]

Unilateralists		*Multilateralists*		*Isolationists*	
Hard-liner 18%	*Soft 7%*	*Internationalist 26%*	*Accommodationist 19%*	*Forceful 13%*	*Restrained 17%*
U	W	M	S	W	W
M	S	S	W	U	S
S	U	U	M	M	U
W	M	W	U	S	M

[a]W=withdrawal; S=sanctions: U=unilateral intervention; M=multilateral intervention.

2. *Soft unilateralists* (7 percent). For this group, it is very important to avoid both military action and multilateral entanglements. Thus, this group would rather have us withdraw than get involved in either kind of military action. Sanctions against Iraq are sufficiently devoid of international commitment to be a plausible second choice. If military action is called for, the third choice would have to be unilateral military action. Multilateral military action is the least favored approach for this small group.

3. *Internationalist multilateralists* (26 percent). This, the largest segment of the American public, clearly favors a more interventionist foreign policy, but in coordination with other states. Multilateral intervention is a strong favorite. If this cannot be achieved, this group would likely go with the dictum that our international involvement should be based on following the lead of the UN and similar multilateral agencies. Thus, multilateral sanctions would be the second choice. Since this group is strongly internationalist in its outlook, unilateral military action would likely be its third choice, with withdrawal at the bottom of the stack.

4. *Accommodationist multilateralists* (19 percent). The accommodationists see international involvement as very important but are unenthusiastic about the use of force. Their first choice, then, would be multilateral sanctions. Failing that, they would counsel withdrawal. If force had to be used, it should be multilateral. Their least preferred option is unilateral military action.

5. *Forceful isolationists* (13 percent). For this category avoiding entanglements but being assertive are dual, if sometimes conflicting, goals. As distinct from the hard-line unilateralists, this group has as its primary goal avoidance of international entanglements. Its first choice will therefore be withdrawal. If a clear case of national interest cannot be made, this group would keep America strong but uninvolved. If the United States has to be involved, minimizing international entanglements is still the goal, so unilateral military action would be the second choice. Beyond this, multilateral military action offers some chance of achieving the goal, while sanctions are the last choice, as both entangling and unlikely to do any good.

6. *Restrained isolationists* (17 percent). This segment of the public likes neither international involvement nor the use of military force. This group will

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have a clear preference for withdrawal. If involvement is unavoidable, sanctions seem the next least onerous choice. If we are going to use military force, it should be unilateral, with the entanglements of a multilateral military effort the least favored choice.

The sense of the aggregate policy preference that would emerge from a distribution of individual preferences such as this is very much a function of how the question is asked or of what mechanism is used to figure the result. If people are asked whether they are in favor of "intervention," 44 percent may be in favor, but this would mask the difficulties the unilateralists and multilateralists have in coming to agreement on the way to carry out intervention. If respondents are asked for their preferred course of action, the largest percentage of the population would favor simple withdrawal (37 percent, against 26 percent for multilateral military intervention, 19 percent for sanctions, and 18 percent for unilateral military intervention). But withdrawal is hardly a satisfactory description of the public preference, since at a minimum it is clear that even though the rest of the public cannot agree on their most preferred policy, all 63 percent of them agree that they prefer sanctions to withdrawal.

One traditional criterion for identifying a social choice is picking what is called a *Condorcet winner*. Named after the French philosopher who contributed some of the earliest systematic analysis of voting problems, a Condorcet winner is an alternative that can beat all of the other alternatives in pairwise voting. The intuition here is simply that in identifying a policy as the public's preference, there should not be another policy that a majority of the public prefers. If there are just two alternatives there will always be a Condorcet winner, except in the unlikely event of a tie. If there are three or more alternatives, there is a distinct danger that there will not be a Condorcet winner.

Is there a Condorcet winner for U.S. policy in the Persian Gulf? In Table 4 I show how each of these policy proposals would fare against each other under these conditions, with the numbers in the cells representing the percentage of votes the column option would get against the row option. The social choice implications of this distribution are quickly seen. If the starting proposal is to do nothing, we can see by reading across the W row that simple majorities prefer either multilateral intervention or sanctions. Sanctions, however, are also beaten by multilateral intervention. Reading across the M row, we see that multilateral intervention is, in turn, beaten by unilateral intervention. Unilateral intervention, finally, would lose out to either sanctions or withdrawal. This brings us back to the starting point. If the underlying

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TABLE 4
POLICIES IN PAIRWISE COMPETITION[a]

	M	*U*	*S*	*W*
M		55	43	49
U	45		69	56
S	57	31		37
W	51	44	63	

[a]The numbers in the cells represent the percentage of votes the column option would get against the row option. W=withdrawal, doing nothing; S=multilateral sanctions; U=unilateral military intervention; M=multilateral military intervention.

attitudes identified in Table 3 and the preference orderings I have attached to them are accurate, there is no Condorcet winner. There is in this set of preferences a serious problem of intransitivity.

Figure 1 illustrates the intransitive policy path that could result from the preferences outlined above. The arrows indicate directions in which a policy selection process based on majority vote could go. To recap: a starting position of doing nothing can be beaten by either sanctions or multilateral intervention. Sanctions themselves can also be beaten by multilateral military action. Multilateral military action can be beaten by unilateral military action. Unilateral military action can be beaten by either sanctions or withdrawal, which returns us to the beginning of the cycle. Starting with any of these policies would lead to the same cycle. If alternative policies are evaluated sequentially, with each proposal compared with the current favorite, this cycle could continue indefinitely, and one would not be able to identify a stable foreign policy choice preferred by the general public.

This illustration of the intransitivity problem also demonstrates the dependence of our sense of public preferences on what the public perceives to be the viable alternatives. Arrow includes as one of his criteria of a desirable social choice function the idea that social preferences should not be affected by the inclusion or removal of independent alternatives.[28] The above example suggests that the particular alternatives that are included has a very significant effect on the societal choices that will be made. Removing sanctions from the list of possible actions does not eliminate the cycling problem. There is still the W->M->U->W cycle. If either unilateral or multilateral military action is ruled out as a possible strategy, the cycle would be broken. It is important to see how this is done. If unilateral military action is no

[28] Arrow (fn. 15), 26–28.

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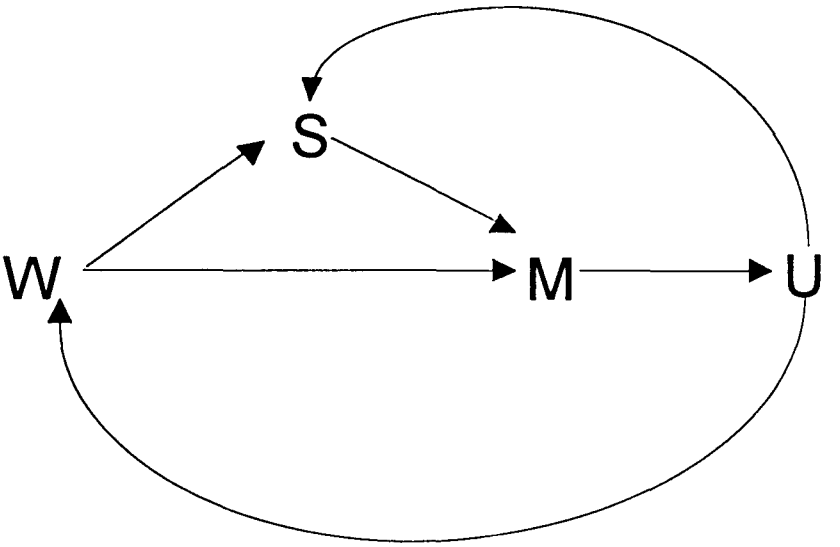

FIGURE 1
AN INTRANSITIVE POLICY PATH

longer a viable policy, then multilateral intervention would be preferred by simple majorities to both sanctions and withdrawal. If, however, multilateral intervention is not seen as possible, sanctions would be the clear winner against both unilateral intervention and withdrawal.

THE SENSITIVITY OF INTRANSITIVITY

An important question to consider is how sensitive the findings in Table 3 are to marginal changes in the preference orderings of the different groups. There are twenty-four possible orderings of the four policy options. For the purposes of this paper it is illustrative to look at the sensitivity of the example presented above to the most plausible changes in some of these orders. (I will leave it to eager readers to track down all of the possibilities that could emerge from these six groups.)

As Hinckley acknowledged, it is difficult to pin down the forceful isolationists.[29] The seemingly contradictory stance between the desire to isolate the United States from international events and the willingness to send military forces abroad is difficult to characterize fully.

[29] Hinckley (fn. 24), 303.

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Nonetheless, the relative preferences of this group prove critical to whether a stable foreign policy majority can be formed. Above, I suggested that forceful isolationists might not see Kuwait as a sufficiently critical issue over which to compromise their isolationism. This would lead to the preference for withdrawal and the W>U>M>S preference ordering. If, however, the connection to American economic well-being[30] or some other argument convinced this segment of the population that this was in fact an issue for which it was worth sacrificing some of its isolationist tendencies, we could imagine several other plausible distributions. With a touch of casuistry, this group could hold almost any of the twenty-four possible orderings. There are, however, just a few critical possibilities that need to be considered.

As just 13 percent of the population, the forceful isolationists cannot affect the preference for sanctions over withdrawal, for multilateral intervention over withdrawal, or for sanctions over unilateral intervention, regardless of how they order those options. A preference for multilateral intervention over unilateral intervention would reverse that part of the cycle, but that seems an unlikely preference for isolationists. A more plausible scenario would put the forceful isolationists in favor of unilateral military intervention over withdrawal. This would change the nature of the cycle, but it would not eliminate the intransitivity. In this case, any other option would beat withdrawal. We could then say that the public clearly favors doing something over doing nothing, but the cycle between unilateral intervention, multilateral intervention, and sanctions would continue unabated.

The one important part of the cycle that the forceful isolationists can affect is the relationship between multilateral intervention and sanctions. I presented the forceful isolationists as preferring multilateral military intervention to sanctions. If this order is switched, such that the forceful isolationists preferred sanctions to multilateral military intervention (perhaps on the grounds that it was less entangling), then sanctions would beat multilateral military intervention by a 56 to 44 percent margin. This would solve the intransitivity and break the cycle. Sanctions would be an unbeatable proposal in pairwise competition, even though it is the first choice of only 19 percent of the population.

The emergence of a stable majority for sanctions with this switch in the preferences of the forceful isolationists should not be too comforting vis-à-vis our more general conceptual concerns about the nature of

[30] Secretary of State James Baker argued that the reason for opposing Saddam Hussein in Iraq could be summed up in one word: "jobs." *New York Times*, November 14, 1990, p. A8.

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public opinion on this issue. In this case, the choice of sanctions occurs because of a shift in the relative preferences of 13 percent of the population over their two least favored options. Needless to say, public opinion polling is rarely conducted in a manner that can pick up this kind of nuance.

Cycles and Supermajorities

Policy cycles can also be broken by increasing the size of a majority required for approving or implementing a policy. The larger the majority required for identifying public support for a policy, the easier it is to avoid cycles. This is an attractive notion for the question of military intervention. While public leaders do not have to go immediately to the voters to seek approval of military action, there is certainly a sense that some degree of initial public support is important. In this regard, it may well be that military intervention requires a sizable rather than a simple majority. Military intervention is usually a very risky proposition. Political leaders will need to be either confident of the prospects for a relatively quick victory or very confident of the strength of their support.[31] Precisely because of the problem of shifting majorities, few leaders will relish the prospect of undertaking so risky a venture without confidence that they have solid and sustainable public backing. In the Persian Gulf case, a supermajority requirement eliminates the cycles very quickly. If we require better than a 55 percent majority, it will be impossible for unilateral intervention to beat multilateral intervention. A supermajority requirement breaks the cycle and allows multilateral intervention to emerge as the most preferred policy.

Supermajorities are not, however, an entirely satisfactory solution to the aggregation problem. In the Persian Gulf case, the requirement of a better than 55 percent majority will always lead to the choice of multilateral intervention. If we raise the requirement higher we begin to get less satisfactory results because the aggregation solution then becomes entirely dependent on the starting point. If we require a majority greater than 57 percent, and start at any proposal except multilateral intervention, we will end up with sanctions. If we start at multilateral intervention, there is no other policy that is socially preferred at the 57 percent level. Above a 63 percent requirement, we will be able to select a policy of withdrawal, sanctions, or multilateral intervention, depending on

[31] Bruce Bueno de Mesquita, Randolph Siverson, and Gary Woller argue that performance in international conflicts has important effects on domestic political fortunes. Bueno de Mesquita, Siverson, and Woller, "War and the Fate of Regimes: A Comparative Analysis," *American Political Science Review* 86 (September 1992).

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the starting point. The higher the supermajority requirement the less likely it will be that any policy will be able to beat the default policy. If the default policy is usually to do nothing, then that will increasingly be the outcome.[32]

In the end, of course, the Bush administration pushed forward on a policy that was basically unilateral intervention with a veneer of multilateral approval and participation. It is not at all clear that such a policy could have garnered majority approval vis-à-vis continuing santions before the war actually began.[33] Once the war was under way, the stability of support for the intervention policy rested not only on the rally effect but also on the increasing realization that the costs to the United States were going to be considerably lower than almost anyone had anticipated.[34] Furthermore, there were no fundamental conflicts or controversies about command and control that could force the multilateral/unilateral issue.

The Implications of Intransitive Preferences

The case of the Gulf War illustrates the basic importance of considering the problems of social choice in the way aggregate public opinion is interpreted. There are a number of further implications to be drawn from the possibility of preference intransitivities. In particular there are implications for the way public opinion polls are conducted and interpreted, and there are the broader implications for understanding foreign policy and its relationship to democracy and the forces of public opinion.

Implications for the Study of Public Opinion

Public opinion analysts have given considerable thought to the problems of sampling, of question wording, and of framing effects, with little regard for the underlying issues that may dramatically affect our sense of what the public likes or does not like.[35] In studying public opinion at the aggregate level, the process of aggregation itself must be

[32] This might correspond with Walter Lippmann's view of public opinion as the "great veto," simply saying no to any change of course. Lippmann, *Essays in the Public Philosophy* (Boston: Little Brown, 1955).

[33] On December 18, 1990, 55% could be found supporting war with Iraq. This rose to 63% by January 6, 1991, but the weakness of this support can be seen in that in the same poll only 44% were willing to approve of war if it would mean one thousand American casualties (*Washington Post* polls).

[34] Defense Department casualty estimates before the war ran as high as twenty thousand. See David Broder, "U.S. Was Ready for 20,000 Casualties," *Los Angeles Times*, June 13, 1991, p. A1.

[35] Russett (fn. 2), 88. For some examples of prominent pieces in this literature that do not consider these problems, see Bradburn and Sudman (fn. 14); Paul Brace and Barbara Hinckley, *Follow the Leader: Opinion Polls and the Modern Presidents* (New York: Basic Books, 1992); Ronald Hinckley,

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included in the analysis. Polls must be designed and conducted with social choice problems in mind. Unless expectations of voters are so low that one's interest lies only in the flavor of the affective relationship between voters and certain policies, it is important to specify the relative position of policy preferences. A richer sense of how people evaluate alternatives relative to each other should yield an understanding of what majorities are likely to form. In particular, it is important to determine the alternatives to which policies are implicitly compared. It makes a very big difference, for example, whether respondents see limited air strikes as an alternative to doing nothing or as an alternative to the large-scale deployment of ground troops.

In this regard it is important to recognize that many polls are conducted in response to significant foreign policy events. These events may determine what respondents see as the implicit alternative to which a policy option is compared. A poll assessing attitudes about limited air strikes when the implicit alternative is set by vocal U.S. threats to send troops abroad may look very different from one taken when the implicit alternative is allowing some petty dictator to get away with pillage and murder.

As significant as these problems are, it is also important to emphasize that the recognition of social choice problems does not eviscerate the process of public opinion polling. Armed with an awareness of social choice dynamics, one is better equipped to recognize that polls are more revealing of some kinds of information than of others. As the Persian Gulf case suggests, aggregate attitudes toward specific policies may be particularly problematic if the menu of alternatives is left unspecified. Majority votes or simple statements of public attitudes toward a single policy option carry relatively little meaning.[36] If we wish to gain insights into public reactions to specific policies, we will need to adjust our polling practices to elicit clear comparisons of policies or to determine the implicit comparisons respondents are making.

In the meantime, there are some more limited kinds of public-opinion polling that operate within unidimensional realms. Presidential approval ratings, for example, operate on a single dimension and therefore remain a relatively coherent measure of overall satisfaction with a president's work.[37] In a two-party system, questions that tap into a

People, Polls, and Policymakers: American Public Opinion and National Security (New York: Lexington, 1992).

[36] Riker (fn. 16), 136.

[37] Richard Brody, *Assessing the President: The Media, Elite Opinion, and Public Support* (Stanford, Calif.: Stanford University Press, 1991); Brace and Hinckley (fn. 35).

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central dimension that defines party divisions will also escape the problem of indeterminate majorities. Indeed, one of the principal ways that the American political system avoids policy cycles is by organizing issues around a relatively simple party continuum. This brings us to the larger question of the implications of intransitive policy preferences for the formation and conduct of foreign policy.

Implications for Foreign Policy

How one makes the move from a consideration of the implications of social choice problems for the conduct and analysis of public-opinion polling to a consideration of the implications of these dynamics for foreign policy hinges on one's understanding of the role of public opinion in foreign policy. It is well beyond the scope of this analysis to delve into the significance of public opinion for foreign policy. Many books and articles have weighed in on that issue.[38] While several recent observers have made a strong case for the importance of public opinion in the foreign policy process,[39] the argument here can be sustained with even a relatively minimal public role in foreign policy decision making. At a minimum, the use of military force abroad is a high-visibility public issue. Leaders are very likely to feel constrained by the need for public support to sustain such military activities. In the case of the Persian Gulf War, for example, Mueller asserts that American public opinion was a major consideration in the policy process.[40]

Several authors have recently advanced arguments for the general stability of democratic foreign policy.[41] This literature has emerged in response to the traditional view of democracies as shifting and unstable, a view Machiavelli once attributed to "all writers" and "all historians."[42] The existence of intransitive public preferences is one significant reason it may be difficult to sustain stable policies in democratic polities. The presence of public opinion intransitivities is not, however, sufficient grounds for rejecting the view that democracies can establish relatively stable foreign policies. The important analytic implication of

[38] Two recent pointers to this large literature are Russett (fn. 2); and Page and Shapiro (fn. 3).

[39] Aldrich, Sullivan, and Borgida (fn. 3); Page and Shapiro (fn. 3).

[40] Mueller (fn. 13), xiii.

[41] Miroslav Nincic, *Democracy and Foreign Policy: The Fallacy of Political Realism* (New York: Columbia University Press, 1994); Bruce Russett, *Grasping the Democratic Peace: Principles for a Post–Cold War World* (Princeton: Princeton University Press, 1993); Kurt Taylor Gaubatz, "Democratic States and Commitment in International Relations," *International Organization* (forthcoming); Page and Shapiro (fn. 3); Russett (fn. 2).

[42] Niccolò Machiavelli, *The Discourses*, trans. Leslie Walker and ed. Bernard Crick (1531; Middlesex, England: Penguin, 1970), bk. 1, discourse 58, p. 252.

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these intransitivities is that the source of foreign policy stability is going to be found in the *institutions* that aggregate public opinion and translate it into policy effects, rather than in some underlying stability in either individual or aggregate public preferences. Particularly important in this regard will be institutions that allow elites to shape the agenda in ways that overcome or even exploit public intransitivities.

In the presence of intransitivities, the degree to which public opinion will either constrain or force action is a function of the ability of elites to develop and maintain observable majorities. When pollsters and pundits can order the debate, there is an impression of a stable public-opinion majority, even where structurally no such majority exists. Saddam Hussein, it would seem, had the sense that there was sufficient antiwar sentiment in the United States to prevent President Bush from sustaining an effort to reverse the Iraqi annexation of Kuwait. It may be that the more sophisticated analysis of public attitudes available to the White House—some of it sponsored by a group called Citizens for a Free Kuwait[43]—allowed the Bush administration to see the potential for garnering public support for a more interventionist policy.

The problems of aggregating public opinion present both opportunities and dangers for political leaders. The opportunity is reflected in the fact that any proposal in the cycle can get the approval of a majority. The concomitant danger is that any proposal in the cycle can be beaten by another policy. To the degree that effective leaders can set the agenda to order the alternatives, they will be able to point to the existence of public support. The difficulty is that there are other political elites who have other priorities and will also be working to shape the debate. Presidential leadership is particularly critical. A president will need to take the initiative to set the terms of the public debate. Failing this, the president must be aware that what looks like a majority today may prove vulnerable to other actors who can effectively change the agenda tomorrow.

Social choice problems thus pose a challenge for our conceptions of democracy that should not be underestimated. But in thinking about the implications for the ultimate stability and rationality of foreign policy it is important to maintain a comparative perspective. Elites, too, in both democratic and nondemocratic states can also have collectively intransitive preferences. Rosenau and Holsti, for example, have

[43] Brace and Hinckley (fn. 35).

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chronicled the breakdown of the American elite foreign policy consensus that emerged from World War II.[44] Not surprisingly, given the inevitable links between elite and mass opinion, the dimensions they identify are quite similar to the dimensions identified by Hinckley and others in American public opinion. Effective foreign policy will require decision-making institutions that can effectively control the potential for cycles among both elites and the public.[45]

Conclusions

In the study of public opinion, we have learned much about the depth of public knowledge and the vagaries of political communication. Important advances have been made in understanding the role of question wording and of the context in which questionnaires are crafted and polls are conducted. While these developments are important, there remains a need for more sophistication in how we collect and interpret the opinions we observe as societal preferences. Too often the study of public opinion has been conducted without adequate reference to the dynamics of social choice. Our ability to derive an aggregate sense of popular attitudes will be limited until the conduct and interpretation of polls is more fully informed by an understanding of the underlying dimensions of the issues at hand.

I have demonstrated here the applicability of the well-developed theories of social choice to some of the problems in analyzing public opinion on the question of military intervention. As should be clear by the fact that the most famous formulation of the public choice problem was produced by Kenneth Arrow in response to a question about identifying national preferences in the conduct of international affairs, this is not a novel enterprise. But despite some forty years of rigorous work on these problems, they remain surprisingly unacknowledged in the literature on public opinion and foreign policy.[46] These issues deserve more careful and systematic consideration in the public opinion literature; they are ignored only at considerable cost to our understandings and analytics.

[44] James Rosenau and Ole Holsti, "U.S. Leadership in a Shrinking World: The Breakdown of Consensuses and the Emergence of Conflicting Belief Systems," *World Politics* 35 (April 1983).

[45] Bruce Bueno de Mesquita, *The War Trap* (New Haven: Yale University Press, 1981), 12–18.

[46] One exception to this point is the recent work of Bruce Russett on the dynamics of democracy and security policy. See Russett (fn. 2), 115–18. Page and Shapiro (fn. 3) mention the problem (p. 27, and p. 438 n. 2) but give little consideration to its implications.

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Review Articles

MODELS OF IRANIAN POLITICS, THE ROAD TO THE ISLAMIC REVOLUTION, AND THE CHALLENGE OF CIVIL SOCIETY

By FARHAD KAZEMI

Asadollah Alam. *The Shah and I: The Confidential Diary of Iran's Royal Court, 1969–1977*. Introduced and Edited by Alinaghi Alikhani. Translated by Alinaghi Alikhani and Nicholas Vincent. London: I. B. Tauris, 1991, 568 pp.

H. E. Chehabi. *Iranian Politics and Religious Modernism: The Liberation Movement of Iran under the Shah and Khomeini*. Ithaca, N.Y.: Cornell University Press, 1990, 342 pp.

Hamid Dabashi. *The Theology of Discontent: The Ideological Foundation of the Islamic Revolution in Iran*. New York: New York University Press, 1993, 644 pp.

Mark J. Gasiorowski. *U.S. Foreign Policy and the Shah: Building a Client State in Iran*. Ithaca, N.Y.: Cornell University Press, 1991, 242 pp.

Mansoor Moaddel. *Class, Politics, and Ideology in the Iranian Revolution*. New York: Columbia University Press, 1993, 346 pp.

Marvin Zonis. *Majestic Failure: The Fall of the Shah*. Chicago: University of Chicago Press, 1991, 350 pp.

INTRODUCTION

THE Islamic revolution, the fall of the Iranian monarchy, and the establishment of the theocratic state continue to attract wide attention in academic forums, the popular press, and government circles. Scholarly debate on the nature, causes, and direction of the revolution remains intense, with three questions in particular informing much of the discussion. First, why did the Shah fall, given his powerful military backing, extensive international support, and the wide array of resources and options available to him at home? Second, why was there

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such a remarkable surge in Islamic revival and militancy in Iran at this particular time? And finally, who were the contestants for power and how were the Islamic Republic and theocratic rule established?

In one form or another, the books considered herein address aspects of these questions and provide at least partial answers to them. The books by Alam and Zonis devote a great deal of attention to the character and personality of the Shah. As the Shah's confidant, minister of the royal court, and former prime minister, the late Assadollah Alam was in a unique position to describe the Shah's personality and the workings of his mind. Zonis's psychohistory also looks at the Shah's personality and character and at the sources of his psychic strength and dependencies. While Alam was the consummate insider, Zonis is the outsider attempting to explain the Shah's complex personality and the strong authoritarian tendencies that eventually resulted in his downfall. The two books together, particularly Alam's, provide the reader with a fascinating, even riveting, view of the Shah's weaknesses and strengths.

The books by Dabashi and Moaddel delve into the realm of ideas and ideologies. Dabashi gives an extensive and detailed account of eight well-known individuals whose ideas, lectures and sermons, writings, and actions constituted the ideological foundation of the Islamic revolution in Iran. The ideas of these eight, from Al-e Ahmad to Khomeini, are set in the context of the Islamic revival that became the mainstay of the revolution. Moaddel identifies ideology as the key factor in this revolution. Conceptualizing ideology as "episodic discourse," he considers "strategies of action and express interests" of individuals and groups who were moved to action by the Shiite-Islamic revolutionary ideology and its dominant discourse (p. 15 and introduction).

Chehabi and Gasiorowski are much more interested in explaining developments and issues from the perspective of structures, political system, and social context. Chehabi offers a thorough study of Islamic liberalism in Iran, its rise during the Shah's regime, and its further development and final demise in postrevolutionary Iran. Gasiorowski analyzes the nature and form of the patron-client relationship that emerged between the Shah's Iran and the United States. Reviewing and documenting the rise of state autonomy under the Shah, he also considers the adverse impact of both state autonomy and clientelism on Iranian domestic politics.

These six books, then, provide a wide range of views on Iranian domestic politics, the Shah and the Ayatollah, and the Islamic revolution.

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They underline the issues and problems created by the close U.S.-Iran relationship and detail how these were articulated in the expressed ideology of some of the principals. In many ways, the authors emphasize in varying degrees the personalistic nature of Iranian politics and the prevalence of patrimonialism in the system.[1] This patrimonialism figures in all the major traditions and models of contemporary Iranian politics.

Iranian Politics: Traditions and Models

Three major political traditions and a minor one constitute the basis of modern Iranian politics.[2] These can be defined as monarchical, liberal nationalist, religious, and leftist models. The first three are major traditions and centers of power that have had profound impact on the course of daily politics. The leftist tradition, although not unimportant, has never been dominant and has never had the same degree of influence in directing events as the other three. All four, however, have interacted with one another and have vied for ascendancy and dominance.

The six books under review, taken together, deal with all four models. Each model abstracts the essential elements of the political system and demonstrates the dominance of a certain political perspective. It highlights different domains of the main characters and describes the process for gaining political power. Although the authors devote primary attention to the monarchical (Alam, Zonis, and to some degree Gasiorowski) and religious models (Dabashi, Moaddel), the liberal nationalist model also receives ample attention (Chehabi, and to a lesser extent, Dabashi and Moaddel). The minor tradition of the left enters the discourse via its interaction with the three major traditions and in its quest for support among the young and the intelligentsia. The left must also contend with strong and enduring antagonisms emanating from significant elements of the monarchical, religious, and even liberal nationalist traditions. What is the nature of these traditions and how have they served as models for emulation?

[1] See Reza Sheikholeslami, "The Patrimonial Structure of Iranian Bureaucracy in the Late Nineteenth Century," *Iranian Studies* 11 (1978); Ahmad Ashraf, "Historical Obstacles to the Development of a Bourgeoisie in Iran," *Iranian Studies* 2 (Spring–Summer, 1969); James A. Bill, "The Patterns of Elite Politics in Iran," in George Lenczowski, ed., *Political Elites in the Middle East* (Washington, D.C.: American Enterprise Institute, 1975).

[2] See Farhad Kazemi, *Politics and Culture in Iran* (Ann Arbor: Institute for Social Research, University of Michigan, 1988).

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The Monarchical Model

The idea of a powerful monarch at the helm of the Peacock Throne, with its long history and rich mythology, has played a significant role in Iranian political life. This tradition dates back to the first Persian Empire in the sixth century B.C. and has persisted against adversity, even thriving after the Islamic conquest of Iran in the seventh century. It has been resilient and dynamic and has connected Iran of the pre-Islamic period with the post-Islamic Iranian state. A fatal error of this tradition may have occurred under the Pahlavis when the dynasty's founder, Reza Shah (r. 1925–41), disrupted the delicate balance between pre- and post-Islamic Iran by actively emphasizing the pre-Islamic tradition as the basis for Iranian nationalism.[3] Although Reza Shah was able to sustain his power base, the situation changed when his son Mohammad Reza Shah (r. 1941–79) transformed the monarchy and the state into two sides of the same coin, severely restricting the domain of the religious establishment.[4] This led first to the juxtaposition of monarchy and Islam as antinomies and subsequently to the series of events that brought the monarchy to an end.

It is clear from the Alam and Zonis accounts that the Shah's personality played a critical role in his downfall. Zonis focuses on the Shah himself, maintaining that his book

> is based on a central premise—that the people of Iran, who by the end of 1978 had become virtually united in their opposition to the Shah, did not so much "win" the revolution as the Shah "lost" it. That is, the Shah's failures to deal effectively with his mounting opposition before and throughout 1978 resulted, not long thereafter, in his overthrow. There was nothing inevitable about the revolution. Neither its timing nor its outcome was ordained. (p. 2)

To find out why the Shah "lost" the revolution, Zonis employs a psychological framework and an in-depth analysis of the Shah's personality. The portrait, though interesting, is not completely convincing. Borrowing from the works of Henry Murray and his notion of the Icarus complex, Zonis claims that the Shah's flying fantasies and his preoccupation with flight, the air force, heights, and the like are indicative of his "narcissistic grandiosity." Referring to Heinz Kohut's

[3] On Reza Shah, see Amin Banani, *The Modernization of Iran, 1921–1941* (Stanford, Calif.: Stanford University Press, 1961); Donald Wilber, *Riza Shah Pahlavi: The Resurrection and Reconstruction of Iran, 1878–1944* (Hicksville, N.Y.: Exposition Press, 1975).

[4] For prerevolutionary politics under Mohammad Reza Shah, see Marvin Zonis, *The Political Elite of Iran* (Princeton: Princeton University Press, 1971); James A. Bill, *The Politics of Iran: Groups, Classes and Modernization* (Columbus, Ohio: Charles E. Merrill, 1972); Leonard Binder, *Iran: Political Development in a Changing Society* (Berkeley: University of California Press, 1962).

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elaboration of Murray's ideas, he portrays the Shah as someone whose flying fantasies are expressions of "infantile grandiosity and exhibitionism" (p. 17). And from this narcissistic character emerges the Shah's contrary tendencies. On the one hand, there is the public persona as a "man's man," with all of its masculine accoutrements, while on the other hand, there is the private persona of a passive, tender, and dependent individual. The sharp contrast between the two provides a clue to the Shah's contradictory behavior patterns and clarifies his successes and failures.

Zonis states that the Shah's narcissistic character and his grandiosity were sustained by four critical sources of psychic support. First, it was the desire to win the admiration of his people through regular displays of imperial trappings, majestic ceremonies, pomp and splendor, and conspicuous consumption. The ever-rising oil revenues fueled these activities and led the Shah to believe that "he was loved and respected by his own people" (p. 20). The second source of the Shah's psychic support was based on three very close personal associates who assumed the quality of "psychic twinship" for him. These were his twin sister, Princess Ashraf; the son of the gardener at his secondary school in Switzerland Le Rosey, Ernest Perron; and his longtime friend, confidant, and political ally, Assadollah Alam. His third source was a mystical belief and dependency on Divine Providence, who, the Shah believed, kept a watchful eye on him, protected him, and decreed his success. Finally, a major source of psychic support came from the United States and the eight presidents from Franklin Roosevelt to Jimmy Carter, with whom the Shah had dealt in various forms. In Zonis's words, these presidents "served as the object of identification for the Shah, and he came to believe that he was the agent not only of the Lord, but also of the world's most powerful state" (p. 21).

Zonis discusses in great detail the ultimate failure of the above factors to sustain the Shah at his moment of greatest need. The Iranians no longer loved him; two of his three close associates had died; his debilitating cancer had erased his belief in divine protection; and he could no longer be certain of unwavering support from the United States. The revolution proceeded and the Shah's world soon collapsed—totally and fully. His final days in Egypt in August 1980 were an ignominious end for the King of Kings. In Henry Kissinger's apt description, the Shah died as "a flying Dutchman looking for a port."[5]

[5] *New York Times*, April 20, 1979, p. 12, quoted in Zonis, 2.

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In some ironic way, this echoes that theme of Zonis's book—flying fantasies. Icarus' waxed wings, it seems, finally did him in.

The Alam diaries are among the most significant political documents of contemporary Iran, even though they do not cover the important pre-1969 period. (Left out are Alam's service as prime minister [1962–64] and particularly his decision to convince the Shah to unleash his army against the religiously inspired riots of June 1963.) Nevertheless, the diaries are rich and filled with remarkable and frank observations about the Shah by an admiring lieutenant, close friend, and loyal ally.

Alam wrote down his remarks almost every night, commenting on the day's events as they related to himself and the Shah. The wide-ranging subject matter covers intimate personal matters (including frequent accounts of womanizing), domestic politics in Iran, and major international events and crises in which Iran played a role. In many respects, these diaries are an astute courtier's re-creation of the microcosm of Iranian politics. They reveal a great deal about the Shah's preferences, court intrigue, and the decision-making process in Iran.

Alam views the Shah as a patriotic monarch, the protector of Iran's interests and position in the international system. He provides ample accounts of the Shah's dealings with world leaders and his personal view of them; and he touches upon the impact of the steep rise in oil revenues and the decision to arm Iran to the teeth. There are also many fascinating references to the Shah's megalomania and to the sycophants surrounding him. It is unfortunate that Zonis did not have access to the Alam diaries. In terms of the sycophancy, at least, there is much in the diaries to support Zonis's contention about the Shah's "narcissistic grandiosity." Interestingly enough, Alam occasionally criticizes some of the Shah's actions and expresses fear about the logical outcome for both the regime and the country. He voices concern, in particular, about the Shah's increasingly authoritarian posture and his tendency to ignore advice. His remarks in 1973 about the Shah's anger with university students for not being fully supportive of him are in many ways a harbinger of things to come. Annoyed at the Shah's inability to see the problems that would result from not sharing power, Alam lashes out in his diary:

> It is a tragedy that our government should be so negligent. . . . Its indifference and, on occasion, its brute aggression toward the people remind me of the way an army of occupation might treat a nation defeated in war. At every level, from the Parliament down to local and municipal elections, the government denies freedom to people, imposing its own will and returning its own candidates as if

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> the electorate had absolutely no say in the matter. Having for so long been deaf and blind to the nation's wish, we should not be surprised that the nation itself regards us with a similar degree of bland disinterest. (p. 315)

With Alam's death from cancer in 1977, the Shah lost the good counsel of his alter ego just when the first stirrings of the revolution could be felt. It is debatable, and obviously unknown, whether Alam's presence during the revolution would have changed the course of events in any substantial way.

In contrast to Alam and Zonis, Gasiorowski does not write about the Shah's personality or psychological orientation. Rather, he offers a scholarly analysis of the development of a clientelistic relationship between Iran and the United States.[6] The Shah, however, figures prominently in this relationship because of his authoritarian rule and his prominent role in making the Pahlavi state increasingly autonomous from Iranian society. Gasiorowski's perspective combines the domestic and international dimensions of Iranian politics and emphasizes the special role of the United States in the Shah's policies and actions. The author also points to the inherent instability and danger of a rentier state, dependent on huge capital infusion from the sale of oil, led by an authoritarian monarch, and fully supported by the dominant superpower in the international system.[7]

Gasiorowski maintains that "the year 1963 can be regarded as the one in which a highly autonomous state was finally established in Iran" (p. 187). Having crushed the June riots and having essentially subdued political organizations agitating for a more open system, the Shah moved ahead with confidence to reassert complete control. As we know, however, the opposition did not disappear, even with the expansion and employment of the regime's many institutions and instruments of repression. Much of the opposition went underground, some acquired important guerrilla components, others continued different forms of clandestine or open opposition at home and abroad. The clerics, although repressed, were not crushed; they remained a significant institution in the social order and continued to reach a substantial number of people from many different walks of life.

Gasiorowski sees a serious problem in the growing distance between

[6] See also James A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Haven: Yale University Press, 1988).

[7] On the rentier state problem in Iran, see Hossein Mahdary, "The Patterns and Problems of Economic Development in Rentier States: The Case of Iran," in Michael Cook, ed., *Studies in Economic History of the Middle East* (London: Oxford University Press, 1970); Theda Skocpol, "Rentier State and Shi'a Islam in the Iranian Revolution," *Theory and Society* 11 (May 1982).

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the Pahlavi state and civil society. This separation led to political unrest and contributed to the revolution. As he points out:

> The Iranian state's high degree of autonomy in the 1960s and 1970s enabled it to operate without the kind of social input that is often provided by such mechanisms as legitimate political parties, popularly elected legislatures, a free press, and local-level political activity. Lacking social constraint, the state's policies largely reflected the Shah's particular priorities rather than the state's interests and needs. (p. 197)

The blame then lies much less with flaws in the Shah's character than with structural features of Iranian society, the role of opposition groups, the impact of oil wealth, and the extensive support of the United States. Although the revolution may not have been inevitable, it is clear that fundamental issues and problems of economy, politics, culture, and foreign policy lay the groundwork for its emergence. Although Gasiorowski does not propose a causal model of the revolution, he does demonstrate the impact of various trends and developments—in the special clientelist relationship between the Shah and the United States—on the emergence of the revolutionary process.

The Liberal Nationalist Model

The liberal nationalist model of Iranian politics is identified with the charismatic personality and politics of Mohammad Mosaddeq, Iran's prime minister from 1951 to 1953.[8] At the heart of Mosaddeq's political life was the nationalization of oil, which became the linchpin of his politics and defined him for the Iranian people.[9] His immense popularity and rise to the apex of power essentially derived from his ability to connect the issue of oil nationalization to the quest for sovereignty for Iran. The "emancipatory nationalism" that came to be identified with Mosaddeq was a political movement that strove, in Chehabi's words, "to establish Iran's unequivocal sovereignty within and without; in other words, it means rule of law within, and political independence, coupled with full control over natural resources, without" (p. 12).

The organizational arm and institutional base of this movement was the National Front, created in 1949. This political party was a loose coalition of diverse groups that included elements that ranged ideolog-

[8] For an overview of this period, see Richard Cottam, *Nationalism in Iran* (Pittsburgh, Pa.: University of Pittsburgh Press, 1979); Sussan Siavoshi, *Liberal Nationalism in Iran: The Failure of a Movement* (Boulder, Colo.: Westview Press, 1990); Farhad Diba, *Mossadegh: A Political Biography* (London: Croom Helm, 1986); James A. Bill and William Roger Louis, eds., *Musaddiq, Iranian Nationalism, and Oil* (Austin: University of Texas Press, 1988).

[9] See Mostafa Elm, *Oil, Power, and Principle: Iran's Oil Nationalism and Its Aftermath* (Syracuse, N.Y.: Syracuse University Press, 1992).

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ically from the social democratic left to the religious right. As Abrahamian points out, "These divergent forces came together in the National Front because of three common bonds: the joint struggle against the court-military complex; the struggle against the British-owned oil company; and the political principles and charismatic personality of Mossadeq."[10] The movement's most active component comprised the traditional middle class of the bazaar and the modern middle class of salaried professionals and the intelligentsia.

In due course Mosaddeq's grand domestic coalition developed fissures. Mosaddeq was toppled in a CIA-led coup that was actively supported by the British, and the Shah was brought back to the helm.[11] Mosaddeq's legacy of liberal nationalism and the larger quest for national sovereignty and full political independence, however, survived as a significant feature of the Iranian political scene. One important element of this tradition is a movement identified with one of Mosaddeq's lieutenants, Mehdi Bazargan, who served as Iran's provisional prime minister after the Islamic revolution. Bazargan's Liberation Movement of Iran (LMI), which espouses religious modernism and liberal Islam, is one direct legacy of the Mosaddeqist liberal nationalism.

Chehabi's fine and thorough study sets Bazargan's movement—its ideological roots, social base, and relationship with secular and religious forces—within the larger historical context of Iranian politics of the past three decades. His account is complemented by Dabashi's chapter on Bazargan, appropriately entitled "The Devout Engineer," which concentrates on Bazargan's contribution to the ideology of the Islamic revolution. Taken together, these two narratives provide a detailed overview of the Liberation Movement of Iran and the history of religious-secular relationships within the framework of Islamic liberalism. Although there are some signs that liberal Islam may eventually have its day, in the short run at least the prospects for its success in Iran are bleak.

Chehabi views Bazargan's religious modernism as a reactive phenomenon. "Religious modernism always arises when religion is in a position of (perhaps momentary) weakness, for when religion exercises an intellectual and political hegemony over society, it can *define* the norms that rule society" (p. 26). Chehabi maintains that there is an important difference between religious modernism in the Western and

[10] Ervand Abrahamian, *Iran between Two Revolutions* (Princeton: Princeton University Press, 1982), 260.

[11] See Gasiorowski's excellent chapter on Mosaddeq's demise (pp. 57–84). For a personal account, see Kermit Roosevelt, *Countercoup: The Struggle for Control of Iran* (New York: McGraw-Hill, 1979).

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non-Western worlds. In the Christian West modernism was primarily an internal reaction; hence, there was less reason for the "zealots'" reaction. In the non-Western, and particularly the Islamic, world the external threat has led the proponents of religious modernism essentially to reassert the validity of the undisputed sacred texts and more importantly to reiterate the absence of any contradiction whatsoever between Islam and modernity. This tendency has often given rise to Islamic apologetics and a reaffirmation of Islam's universal truth irrespective of time and space.

> The defensive character of religious modernism is thus more pronounced in the non-Western world. Religious modernism in these countries has an affinity both with Nationalism and with fundamentalism: so long as foreign domination is still present, the three forces usually cooperate. This defensive nature means that religious modernism can easily assume a negative, or "anti" character. (p. 29)

The "anti" and reactive feature of the Liberation Movement of Iran was directed at what were considered to be the two great threats: "corrupt Western culture" and "aggressive Marxist culture" (Dabashi, 536). To overcome these threats, the movement assumed an activist and radical posture that reaffirmed the basic affinity between Islam and modernity. As Dabashi relates, "In organizing themselves into this revolutionary body, the Muslim activists gave their radical interpretation of Islam as 'a combatant, progressive, and forward-looking ideology which is responsive to the material and spiritual needs and necessities of a society'"(p. 336). The LMI, then, is a reactive and defensive movement that at the same time assumes a positive posture by extolling the viability and virtue of authentic Islamic culture.

As with other Islamic movements with affinities to fundamentalism, the LMI also places the rights of the collectivity and its liberation ahead of those of the individual. Although the LMI had tried cautiously over time to plant the seeds of democracy in Iran, democracy (as Chehabi indicates) "has not been the overriding aim of all members of the LMI: like the rest of the National Movement, it has placed Nationalism before liberalism" (p.66). In other words, serious contradictions and irresolute problems encompass Bazargan's movement. Attempts to reconcile these two competing strands, however laudable, have in effect failed to produce a systematic body of doctrines that can serve as guides to action. As long as a clear line separating religion and politics is not drawn and as long as their respective arenas are not delineated in matters of governance, efforts to reconcile and merge the two are bound to fall short. As Bazargan himself discovered, either the reli-

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gious right or the secular left will sooner or later gain ascendancy. Many of his comments indicate that he was apparently well aware of the inherent dangers of the fundamentalist thrust in the politics of Iran. His remarkable characterization of Ayatollah Khomeini after a visit to his house of exile in Neauphle-le-Château in France as "a turbaned Aryamehr" speaks legions.[12] Aryamehr (Light of the Aryans) was the Shah's cherished title, bestowed upon him in 1965.

Bazargan genuinely believed that Islam could be reconciled with the modern world. His political life is testimony to this basic belief and value. Whatever the shortcomings of Bazargan's organization and movement may have been, it is important to note that his group is the only "loyal" opposition still active in Iranian politics.[13] All who know the constraints of domestic politics in Iran realize that this is not a minor achievement.

The Religious Model

Ever since Shiism became the state religion of Iran in the sixteenth century, the religious perspective has been a strong and persistent presence in Iranian political affairs. Although the importance of religion in Iran is not new, what is new is the steady integration of Shiism with Iranian nationalism. In the more modern period, this relationship is evident in several popular movements that brought together religious leaders, liberal reformers, and bazaar merchants in common cause against Western penetration and monarchical absolutism. This coalition of strange bedfellows, dubbed the "liberal-clerical alliance" by historians, first emerged in 1872 to protest a sweeping concession granted by the reigning Shah to a British businessman.[14] The successful coalition had several important incarnations leading to the Constitutional Revolution in the early twentieth century and even the activities of Mosaddeqist oil nationalization later on. However, in none of these cases, or in the later clergy-led riots of June 1963, did the clerics gain the upper hand. These popular movements kept the secular rulers in positions of control even though the clerics had been a critical part of the coalition and had played a significant role in mobilizing the masses.

The situation changed with the Islamic revolution and the elimina-

[12] For a report on this visit, see Chehabi, 243.

[13] To his credit, Bazargan and his group challenged Khomeini's decision to continue the Iran-Iraq War as early as 1984. By 1986 the attacks on the regime's war policies became more vociferous and direct, holding Khomeini and his regime responsible for all the miseries that the war brought with it. See Chehabi, 299–301.

[14] For an overview, see Nikki Keddie, *Roots of Revolution: An Interpretive History of Modern Iran* (New Haven: Yale University Press, 1981).

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tion of the Iranian monarchy. Even though the grand coalition consisted of many different groups, including significant secular forces, the clerics were able to gain ultimate power and establish a Shiite-Islamic theocracy in Iran. Therefore, although the religious tradition in Iran is not and has never been monolithic, the group of clerics headed by Ayatollah Khomeini was able to impose his particular vision and interpretation of the clergy's right to rule on the body politic. The success of the Khomeini group had its roots in certain aspects of Shiite theological doctrines and the extensive organizational and institutional presence of religion throughout the country. Helped by some degree of financial independence from the Shah's regime, steeped in popular Shiite festivals and symbols, and assisted by an extensive network of organizations that connected them to the bazaar and the common people (particularly the poor), Khomeini's followers were able to monopolize political power. In very deliberate fashion they were able to eliminate from the political scene all those individuals or groups who were not in full accord with the Khomeini camp, regardless of their contribution to the revolution. Clearly Khomeini's towering personality and his overwhelming charismatic appeal helped pave the road to theocracy. Inspired by a fundamentalist religious orientation, the new regime redefined the collectivity's rights and privileges and the country's foreign policy.[15]

The Moaddel and Dabashi books seek to make sense of this process and to understand how this situation developed. Although the two volumes employ a very different type of analysis, both agree on the importance of ideas and ideologies in the Islamic revolution. Although their perspective contributes to a better understanding of the revolution, its preoccupation with ideas and ideologies comes at the expense of the structural, social, political, and economic factors that were critical in bringing about the revolution.

Dabashi's book is a form of discourse analysis that considers the Islamic revolution as essentially the outcome of a great ideological struggle. His comprehensive and highly readable biographical and ideological work profiles each ideologue in a context that appears deterministic and teleological. All roads, it seems, lead to the Islamic revolution. Dabashi is a firm believer in "the mobilizing power of ideas."

> In giving voice to the common miseries of a people—actual or perceived, absolute or relative—revolutionary ideas have an instrumental presence in the

[15] See Shaul Bakhash, *The Reign of the Ayatollahs: Iran and the Islamic Revolution* (New York: Basic Books, 1984).

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> course and consequences of the revolutionary movement. The focal point of convergence of all revolutionary ideas is a particular reading of the status quo and, more specifically, its highest symbolic expression: the state. The mobilizing power of ideas can generate and accumulate unmanageable difficulties for the state, both internal and external. . . . "The Islamic ideology" in the Iranian case draws from the deepest and most enduring convictions of its constituency, and, at the same time, addresses the highest and most distant ideals of those who are, literally, willing and able to put their lives on the line. (p. 3)

Dabashi's commendable undertaking would have been much more useful had he set these ideas in their historical context and considered the underlying structural factors more systematically. Furthermore, the reason for the selection of some of the "revolutionary" ideologues is not obvious, at least in regard to Islamic philosopher Allameh Tabataba'i, if not to others. Also problematic is the absence of any systematic discussion of Navvab Safavi and his small but highly effective Islamic terroristic movement, the Fada'iyan-e Islam (Devotees of Islam).[16] Thus, Dabashi's book, important though it is, leaves the reader with the sense of having gotten only a partial picture.

Moaddel's book suffers from similar, albeit more serious, problems. By making ideology "the constitutive feature of revolution" and by relying on discourse analysis, the author practically gives ideology an autonomous role. It appears that the crisis that engulfed Iran and led to the revolution can all be explained by simply taking refuge in revolutionary Islamic discourse. In his own words:

> Revolutionary Islamic discourse was produced and formed, as it were, as a result of the propaganda warfare and back-and-forth argument between the state ideology and the opposition within the changing conditions of the postcoup period. . . . The Shah's regime was thrown into crisis, and the social discontents were transformed into revolutionary movements by and through Islamic discourse. The revolutionary crisis transpired when the revolutionary ideology began to take over the protest movements. This is because the themes of the monarchy's ideology and of the Islamic opposition were somewhat mutually exclusive. (pp. 153, 156)

Coming from a social scientist, this is a remarkable interpretation. It is true that Moaddel acknowledges a number of socioeconomic factors, but ultimately he identifies the ideological element as the dominant explanatory variable of the revolution. When ideology, important though it may be, is isolated from its sociopolitical context and given

[16] See Farhad Kazemi, "The Fada'iyan-e Islam: Fanaticism, Politics and Terror," in Said Amir Arjomand, ed., *From Nationalism to Revolutionary Islam* (London: Macmillan, 1984); idem, "State and Society in the Ideology of the Devotees of Islam," *State, Culture and Society* 1 (Spring 1985).

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the definitive role in determining outcomes, there is necessarily something missing in the analysis.[17]

The Leftist Model

The left has not had the same degree of impact on Iranian politics and social affairs as the other three models have had. It has, however, been an active part of the Iranian political scene for some time, ever since the establishment of the first communist-oriented Iranian political party in 1916. Perhaps the most important expression of leftist politics in Iran is the Tudeh Party.[18] Organized in 1941 by a group of intellectuals, the party engaged in extensive political activity, both open and clandestine. Although supportive of the clerics' rule after the revolution, a policy that conformed fully to the wishes of their Soviet patrons, the Tudeh Party was formally banned in 1983 and its leaders arrested.

In addition to the Tudeh, several other important leftist-oriented organizations and groups have also operated in Iran. Leaving out the social democratic groups, the two major underground organizations that emerged during the Shah's reign—Islamic Mojahedin and Fada'i guerrillas—played an active role in the revolution and the ouster of the Shah. Nevertheless, both organizations suffered enormously and were forced to expatriate after the clerics consolidated their power. The Fada'i group split into two separate units while the Mojahedin moved their base of operations to Iraq, where they worked for the overthrow of the Iranian regime.

The left is relevant for the studies under review here because of the reaction it aroused on the part of the Shah, liberal nationalists, and the ideologues of the Islamic revolution. The three groups shared a fear of leftist ascendancy in Iran and of its making inroads among youth, university students, and the intelligentsia. The Shah's profound fear of the left is well-known from his many speeches and writings, with their innumerable references to the leftist threat. In his last book, written in exile, he returned to an earlier theme—the dangers of "the unholy alliance of red and black." He blamed many of his problems on this alliance of the red (left) and the black (clerics) against his regime.[19]

The clerics had their own deep-seated concerns about the left. For

[17] For a discussion of Khomeini's changing views on such critical issues as private property, society, and the state, see Ervand Abrahamian, *Khomeinism: Essays on the Islamic Republic* (Berkeley: University of California Press, 1993), 39-59.

[18] See Abrahamian's extensive treatment of the Tudeh Party (fn. 10).

[19] Mohammad Reza Pahlavi, *Answer to History* (New York: Stein and Day, 1980), 145–74.

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instance, Ayatollah Mahmud Taleqani, who was more open to diverse political views than were other clerics, expressed this fear on several occasions. In one of his earliest comments on the matter, Taleqani voiced his concern over the Tudeh Party's "monopoly of the current ideological agenda. To balance and check that agenda, he saw no better source than the Qur'an" reactivated "as a central revolutionary text" (Dabashi, 222). What made matters worse for the clerics in the decade before the outbreak of the revolution was that some Islamic ideologues employed Marxist vocabulary and concepts in their writings and speeches. For one, the popular Shiite ideologue Ali Shari'ati, although not a Marxist, was deeply immersed in leftist discourse. As Dabashi indicates, "A close reading of Shari'ati leaves no doubt that his chief frame of reference, his conceptions of history, society, class, state apparatus, economy, culture, his program of political action, his strategies of revolutionary propaganda are all in the classical Marxist tradition" (p. 137). Shari'ati used Marxist rhetoric as a tool for translating Shiism into an active revolutionary force that would attract adherents among the youth. Nevertheless, his "Islamization of Marxism" generated fears among many of the clerics and gave the Shah ample opportunity to talk about the red and black alliance.

Bazargan, too, profoundly feared and mistrusted the left, especially the Tudeh Party. He very early on grew wary of the party's growing influence on university campuses. He (and Taleqani) thought that "the most efficient and correct way, was to confront Tudeh on the ideological level. They wanted to offer Iran's youth an alternative to the communists, who seemed to have history's dynamics on their side" (Chehabi, 117). As a devout Islamic liberal, Bazargan denounced communism and the society it had created as "an absolute animal society" (Dabashi, 331). He wanted Iranian youth to turn away from the Godless selfishness of communism and return to the God-worshiping ways of Islam (p. 331).

The left no longer has a formal presence in the Islamic Republic of Iran. The collapse of the Soviet empire further contributed to the demise of the left, as it did in the case of many other leftist organizations in the Third World that also lost their most significant external patron. Thus, the Iranian regime also benefited from this development, even though it had made the decision to dismantle the left long before the Soviet collapse. Nonetheless, some of the ideas of the left will remain a part of political discourse in Iran, even if they are expressed through different labels, even Islamic ones.

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Conclusion: The Challenge of Civil Society

The Iranian polity of the post–World War II era has experienced three major historical and political traditions. Extraordinary individuals such as Mohammad Reza Shah Pahlavi, Mohammad Mosaddeq, and Ayatollah Ruhollah Khomeini have reified these traditions and have become identified with their advantages and pitfalls. Even the leftist tradition, with its characteristic style, has made a lasting impression on the Iranians. Yet despite these diverse imprints, the polity has come to understand that no single tradition has been able to deliver on its lofty promises and ideals.

The long-enduring monarchical system of Iran collapsed with the Islamic revolution. The Shah's vision of the "Great Civilization" for Iran was destroyed by the revolution and vilified by the new religious order.[20] Although monarchy with all its trappings remains an important part of Iranian mythology and historical tradition, its resurrection is unlikely. The left, for its part, never had the opportunity to control the political system because it was opposed in various ways by all three major traditions. It never managed to garner popular support and make itself indispensable to the political system. Liberal nationalism, however, has not completely died out as a political tradition. Weak as it currently is, its basic ability to synthesize different elements of Iranian cultural and political traditions will most likely allow it to survive and eventually become an important force in Iranian politics again.

The religious tradition is clearly in ascendancy and has institutionalized the Islamic state in Iran. But it has failed to achieve some of the primary goals of the revolution, such as social justice and economic self-sufficiency. More importantly, it has not been able to fully Islamize the social system and create an Islamic society. The efforts at Islamization have been resisted by strong elements within civil society and have alienated increasingly larger segments of the population.[21] As things stand now, therefore, it appears highly unlikely that the Islamic Republic will be able to achieve its avowed goals.

Perhaps the greatest challenge to the Islamic state is the crisis of authority that beset the ruling group following the death of Ayatollah Khomeini. At the heart of this crisis is the incumbent of the top leadership position, Ayatollah Ali Khameneh'i. He is not the Shiites' pre-

[20] Ibid., 175–79, for the Shah's vision of the Great Civilization.

[21] See Ali Banuazizi, "Iran's Revolutionary Impasse: Political Factionalism and Societal Resistance," *Middle East Report* (November–December 1994), 2-8.

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eminent religious figure; indeed, in many respects, his stature is more that of a top political leader who is also a cleric. This stands in sharp contrast to his predecessor, Ayatollah Khomeini, who successfully combined primacy in both leadership roles—the religious and the political. These are not minor theoretical or theological debates; they are issues that have direct impact on the affairs of the state and the respective domains of politics and religion in a theocratic system. The problems of governance in Iran are further exacerbated by challenges coming from elements of the religious intelligentsia who believe in the Islamic system, but also have serious questions about the attempt to impose a unidimensional and rigid Islamic ideology on the social order.[22] These calls for reform from within pose a serious challenge to the religious dimension of political life as it now stands.

It is, then, probably not unfair to state that all four traditions of Iranian politics have in fact failed. This failure may be attributed to any number of causes, such as the international system, great power politics, Iran's strategic and economic importance, or even rapacious local politicians. Although there may be a kernel of truth to these charges, the systematic failure of *all* of these models has a powerful resonance.

Several persistent themes and trends may be offered to help explain the ebb and flow of Iranian politics in the modern period. First is the centuries-long continuity and survival of the Iranian state, in close approximation of its current boundaries. This continuity is reinforced by the country's rich cultural heritage and long history. In other words, the basic ingredients for the survival of the nation-state have been present for some time. Although Iran's territorial integrity has been challenged severely at times, the country has managed to surmount the obstacles and maintain its essential historical continuity as an independent and sovereign nation-state irrespective of the regime in power.

Second, there has been a steady increase in state power over society. This process began in the nineteenth century when the Iranian state experimented with military modernization to stave off further defeat on the war front. Military modernization soon spread to other areas and the trend toward centralization of state power was on its way. The Pahlavi era expedited this process dramatically to the point of development of an oil-dependent rentier state that was increasingly unresponsive to the needs of civil society. Although a number of options were available to the new government after the Islamic revolution suc-

[22] See, for example, Abdolkarim Sorush, *Farbehtar az Idioloji* (More powerful than ideology) (Tehran: Sarat, 1993).

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ceeded, the process of increasing state dominance continued unabated. The crowning event in this development was Khomeini's edict of January 1988 affirming the paramountcy of the state over society and giving it an Islamic juridical cast. In short, the Iranian state has been able to consolidate and centralize its institutions in the Islamic Republic through revolution and war. Since this trend is simply a continuation of a long-standing historical pattern, there is no reason to expect any major change in the foreseeable future.

Third, Iranian politics has for a long time been characterized by patrimonialism and personalistic styles of rule. This holds equally for the Shah's system and for the Islamic Republic. Somehow patrimonial leadership manages to transcend all the paraphernalia of formal bureaucracies and official administrative norms. This phenomenon is not limited to the top echelons of power; rather, it has permeated the social order at all levels, from top to bottom. An important consequence of patrimonialism, with its extralegal and extraadministrative features, is its impact on the development of authoritarianism.[23] Clearly, authoritarianism has been a regular feature of all four models of Iranian politics. Even Mosaddeq's liberal nationalist government was not free of this problem. At issue, then, is the degree of authoritarianism in Iranian politics, not its presence per se. Unless some of the underlying factors contributing to authoritarianism are formally addressed, this problematic feature of Iranian political life will not disappear.

Fourth, Iranian domestic politics has interacted routinely and intensively with foreign policy issues. International powers and foreign elements have become intertwined with domestic matters. Some of this can perhaps be attributed to certain xenophobic tendencies. Fear of foreign control is, as well, often coupled with an exaggerated perception of the outsiders' power. More often than not, however, these sentiments have arisen because of Iran's international position and the involvement of external powers in its internal affairs. In this context, foreign control of the nation's key economic resource—oil—has served as a significant mobilizing force of national politics and has exacerbated Iran's economic and political problems.

Kings and politicians have for some time been accused of being in the service of foreign powers and of having sold out the country's resources, particularly oil. Thus, it was not uncommon to hear Mohammad Reza Shah denounced as *Shah-e Amrika'i* (the American Shah)

[23] For a different but related discussion of authoritarianism in the Arab world, see Jill Crystal, "Authoritarianism and Its Adversaries in the Arab World," *World Politics* 46 (January 1994).

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during the revolution. Moreover, foreign policy political slogans such as Mosaddeq's "negative balance" and Khomeini's "neither east nor west" are further manifestations of the desire to remain completely free of foreign domination. These slogans and themes have on many occasions come to define Iranian domestic politics and the place of individuals within it. Given the strong ideological posture of the Islamic Republic in foreign affairs, these forms of sloganeering will most likely remain at the center of Iran's political life.

Finally, there is the question of the viability of Iran's civil society in light of the onslaught of the state, whether in its monarchical form or its theocratic form. It is true, nevertheless, that civil society has continued to function against all odds, despite constraints under both regimes. Under the Shah, for example, we have the prominent example of the significant role played by the religious establishment with its multifaceted involvement in all layers of society. Also important was a host of groups, organizations, and professional associations that managed to maintain some degree of autonomy from the state even under the most adverse circumstances. These and the religious establishment coalesced in the most conspicuous grand alliance in Iranian history and succeeded in toppling the Shah's regime.

Even the Islamic Republic with its strong theocratic identity has not been able to control all aspects of civil society in Iran. The regime's effort to dominate civil society has faced several important challenges. First, the state's religious conception of citizenship has depended on divine criteria to ascertain membership in the community and to determine the norms of inclusion and exclusion in the system. Such a conception has had significant implications for women, religious minorities, and those who might be loosely defined as secularists. This rigid theocratic interpretation of citizenship has been challenged by all three groups, especially by women. Although the ultimate results of this challenge are not yet known, it is clear that the state has not been fully successful at imposing its view on all segments of the social order.

Second, there are many semiautonomous associations in Iran that have maintained some degree of distance from the state. One group, known as public foundations, was created by the Islamic state as part of its Islamization program in the early years after the revolution. By virtue of being state sponsored, these foundations have a far greater dependency on the state even though their sources of income are not completely state controlled. Their role in civil society will probably grow in the future. A second category of associations that function as either private or Islamic charitable (*waqf*) foundations have far greater

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autonomy. Several of the Islamic charitable foundations have enormous wealth and sources of income, which they use in their dealings with the citizenry at large. Although their operation is loosely managed by the state, they in fact have a substantial degree of autonomy and freedom. The third group includes a number of guilds, Islamic committees, and professional associations that have been able to function under the close and watchful eye of the state. Whatever autonomy they have been able to gain has been hard-won by intense maneuvering and struggle.

It is clear that the civil society under the Islamic Republic is alive, even vigorous. On the one hand, the state's conception of citizenship is questioned by some segments of the population. On the other hand, a fairly large number of organizations, associations, and foundations exist somewhat apart from the state. These possess capital, have organization and structure, and are developing an expanding system of patron-client relationships. Although the Islamic Republic with its well-entrenched institutions is not about to collapse, it certainly faces a potential challenge from within the civil society. Either the regime has to modify its behavior in a meaningful fashion, or it risks further and even enduring alienation from an important segment of its own population.

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INTERNATIONAL INSTITUTIONS AND ECONOMIC SANCTIONS

By EDWARD D. MANSFIELD*

Lisa L. Martin. *Coercive Cooperation: Explaining Multilateral Economic Sanctions*. Princeton: Princeton University Press, 1992, 299 pp.
Michael Mastanduno. *Economic Containment: COCOM and the Politics of East-West Trade*. Ithaca, N.Y.: Cornell University Press, 1992, 353 pp.

INTRODUCTION

FOR the study of economic sanctions, the previous two decades have been an especially fertile period during which a variety of important and influential research has been published. The academic interest in sanctions has been matched by that of policymakers, who have come to rely on these instruments of foreign policy with increasing regularity. In light of the widespread interest in this topic, a fuller understanding of the political economy of sanctions is necessary.

Existing studies in this area focus disproportionately on identifying the conditions that promote the effectiveness of sanctions. Scholars have been divided over whether their effectiveness depends primarily on the extent of the economic damage imposed on a target (i.e., the state at which sanctions are directed) or whether the signals relayed about the intentions of the sender (i.e., the state imposing the sanctions) also influence their effectiveness.[1] Relevant to both positions, however, is the issue of how to coordinate multilateral sanctions.

From the standpoint of maximizing the economic damage to a target, sanctions tend to be multilateral because individual senders rarely possess the market power needed to inflict substantial damage through unilateral actions. From the standpoint of using sanctions to send signals to targets, multilateral sanctions may enhance the credibility of the senders' commitment to sanctions and improve the clarity and

* I am grateful to David Baldwin, Marc Busch, Eileen Crumm, Gregory Gause, Joanne Gowa, Arvid Lukauskas, Helen Milner, Sunita Parikh, and Jack Snyder for comments on this paper.

[1] See, in particular, David A. Baldwin, *Economic Statecraft* (Princeton: Princeton University Press, 1985); and Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy*, 2d ed. (Washington, D.C.: Institute for International Economics, 1990).

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magnitude of the signal. Particularly for the purpose of maximizing economic damage, however, senders of multilateral sanctions face incentives to defect from these agreements. Sanctions that impose substantial costs on a target generate rents that can be captured by states that continue to conduct transactions with this country and produce costs to senders that can be ameliorated by defection. Indeed, it is both the need for states to engage in multilateral sanctions and the considerable obstacles to doing so that have led many analysts to conclude that sanctions will rarely be effective.

Lisa L. Martin and Michael Mastanduno provide some of the initial research on the issue of how to facilitate cooperation among senders of multilateral sanctions. They not only make valuable contributions to the study of economic sanctions, but they also place the study of sanctions at the center of a number of contemporary debates on international relations theory, thereby broadening and enriching its traditional focus. One of the most fundamental debates addresses the role that international institutions play in fostering cooperation among states. Both Martin and Mastanduno analyze the influence of international institutions on cooperation among senders of sanctions. These studies make important contributions to the literature on international institutions and offer two efforts to integrate insights derived from it to the study of sanctions.[2]

Martin and Mastanduno arrive at somewhat different conclusions regarding the conditions that promote cooperation among senders of sanctions. Following my initial discussion of their books and the factors that they emphasize, I analyze the effects of international institutions on sanctions. I argue that international institutions tend to facilitate cooperation among senders of sanctions. The extent to which they do so, however, is likely to depend on the domestic politics of members. Both interest-group pressures and the degree to which domestic institutions vest policymakers with the means necessary to advance the "national interest" bear heavily on the ability of governments to adhere to commitments to impose sanctions made within an international institution.

The extent to which international institutions elicit cooperation among senders is also likely to depend on the type of institution in-

[2] It should be noted that there is a long tradition of research linking international institutions to economic sanctions. Indeed, much of the early literature on sanctions was concerned with improving the effectiveness of the League of Nations and the United Nations. For discussions of this literature, see J. Martin Rochester, "The Rise and Fall of International Organization as a Field of Study," *International Organization* 40 (Autumn 1986); and Ronald J. Yalem, "The Study of International Organization, 1920–1965: A Survey of the Literature," *Background* 10 (July 1966).

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volved and the type of sanction being imposed. Not all institutions are equally suited to promote cooperation, and even in the case of qualified institutions, variations in cooperation among senders are likely to exist depending on the nature of the sanction. Finally, the distribution of power among members is likely to be linked to patterns of cooperation. On the one hand, a highly skewed distribution of power may give rise to little cooperation because small states have an incentive to free ride on the efforts of larger powers. On the other hand, this type of situation may promote cooperation if small states are forced to contribute to sanctions by larger states. Although Martin and Mastanduno examine aspects of these issues, neither treats them in sufficient depth.

I also address some factors that influence the degree to which sanctions inflict economic damage on a target, a topic that neither Mastanduno nor Martin takes up, but one that has preoccupied scholars of sanctions. Research has shown that sanctions characterized by greater cooperation among senders tend to impose less economic damage on targets than those in which cooperation is reduced.[3] I suggest that one reason for this tendency is that international institutions both facilitate cooperation among senders and are susceptible to being captured by member states or interest groups within such states. The actors that capture an institution may use it to impose sanctions that serve their own interests rather than those of the institution at large. Such sanctions are likely to be ineffective from the standpoint of those members that have not captured the institution.

Many studies of international institutions assume that institutions promote the social welfare of their members. The argument advanced here suggests that this need not be the case. Further research is needed to determine the conditions under which global institutions are likely to be captured and the implications of capture for their performance.

Coercive Cooperation

In *Coercive Cooperation*, Martin argues that cooperation among senders of multilateral sanctions is fostered by international institutions to which each sender is a party and by situations in which the "leading" sender is willing to bear high costs in the process of imposing the sanctions. She maintains that high self-imposed costs by the leading sender and the existence of an institutional forum within which to coordinate sanctions enhance the credibility of the sender's commitment

[3] See, for example, Hufbauer, Schott, and Elliott (fn. 1), 95–96.

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to the sanctions and indicate its unwillingness to allow domestic sources of opposition to undermine them. This, in turn, renders it more likely that other states will participate in the sanctions. International institutions also promote cooperation among senders by facilitating issue-linkage, the dissemination of information regarding the preferences of senders, and other factors that lead to the reduction of both the transaction costs associated with imposing sanctions and the free riding that often degrades their effectiveness.[4]

Martin defines cooperation as "any joint activity among states" (p. 10), and her analysis of it centers around what she refers to as coincidence, coercion, and coadjustment games. Coincidence is emphasized in liberal theories of cooperation: actors' interests dovetail and problems of cooperation involve matters such as the distribution of costs and the type and level of sanction to be imposed. Coercion is emphasized in realist theories of cooperation. One actor prefers the imposition of sanctions, even if it must impose them unilaterally; the other has no incentive to cooperate absent some inducement by the initial actor. Coadjustment is emphasized in neoliberal institutional theories of cooperation. In this type of situation, of which the Prisoners' Dilemma is representative, neither actor has an incentive to cooperate unilaterally and, in equilibrium, suboptimal levels of sanctions will result.

The empirical portion of Martin's study examines these approaches to determine which best explains patterns of cooperation among senders of multilateral sanctions after World War II. In her statistical analysis, she tests the relationships between variables that are emphasized in coincidence, coercion, and coadjustment models, and three aspects of multilateral cooperation. Martin "find[s] strong support for the hypotheses that international institutions, high costs to the major sender, and assistance to the target tend to increase the level of cooperation" (p. 90). She argues that international institutions are emphasized in the neoliberal hypothesis, self-imposed costs to the leading sender in the realist hypothesis, and assistance to the target in the liberal hypothesis. The results of her statistical analysis, therefore, provide some support for each of the three models described above.

Martin presents four case studies to bolster her empirical analysis. She argues that the 1982 natural-gas pipeline sanctions, human rights sanctions against Latin America during the 1970s, and sanctions against the Soviet Union in response to its treatment of dissidents

[4] On this point, see also Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984).

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failed to generate the cooperation of other states because the U.S. was unwilling to bear high self-imposed costs and because an institutional framework within which to impose and coordinate the sanctions was absent. In contrast, cooperation among Western states in response to the 1978 Soviet invasion of Afghanistan was facilitated by an institution, the Coordinating Committee for Multilateral Export Controls (COCOM), within which to coordinate sanctions and by the willingness of the U.S. to bear the costs of forgone sales of grain and high-technology goods to the Soviet Union. Furthermore, the high costs borne by Great Britain and the involvement of the European Economic Community (EEC) helped to generate cooperation among its members in sanctions against Argentina during the Falkland Islands conflict.

Martin offers one of the most sophisticated and ambitious extant treatments of international cooperation. She does much to advance our understanding of the factors that promote cooperation among senders of multilateral sanctions. She also demonstrates that, for certain purposes, scholars of international relations need not choose among realist, liberal, and neoliberal institutional approaches. By placing her analysis of sanctions within the broader context of theories of international relations, Martin makes a valuable contribution to ongoing debates regarding both these theories and the factors that facilitate the imposition of multilateral sanctions.

The Data

Yet Martin's analysis is also circumscribed in a number of ways that warrant discussion. One issue concerns the data on sanctions that are used in her statistical analysis. These data were compiled by Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott,[5] and are widely recognized as the best of their kind. However, they introduce certain biases that have important implications for Martin's study.

First, Martin's statistical analysis includes each of the cases occurring after World War II that Hufbauer, Schott, and Elliott list (except for two statistical outliers). These cases include a number of instances in which senders imposed sanctions on a political ally.[6] Martin, however, notes that her game-theoretic model "does not apply to cases where one player is an ally of the target country, since the target's allies

[5] See Hufbauer, Schott, and Elliott (fn. 1).

[6] See the data on alliances compiled by Melvin Small and J. David Singer, "Formal Alliances, 1816–1965: An Extension of the Basic Data," *Journal of Peace Research* 3, no. 3 (1969). See also the more recent version of these data, dated March 1993, which were obtained from the Correlates of War Project.

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receive disutility from any imposition of the sanctions" (p. 18). Consequently, it would have been useful to determine how sensitive her results were to the inclusion of such cases, especially those that generated high levels of cooperation among senders.

Second, Hufbauer, Schott, and Elliott acknowledge that their list of sanctions

> probably omits many uses of sanctions imposed between powers of the second and third rank. These cases are often not well documented in the English language, and we did not have adequate resources to study source material in foreign languages. Also, we may have overlooked instances in which sanctions were imposed by major powers in comparative secrecy to achieve relatively modest goals. To the extent of these omissions, our generalizations do not adequately reflect the sanctions experience of the twentieth century.[7]

Their research strategy may account for a curious feature of Hufbauer, Schott, and Elliott's data: of the 116 sanctions episodes that they document, 77 involve the U.S. as a sender, and 22 involve Great Britain. It is, of course, possible that the U.S. (and to a lesser extent Great Britain) disproportionately engaged in sanctions during this period. Indeed, this might be expected if the U.S. was a hegemon during the post–World War II era. However, based on the above conclusions of Hufbauer, Schott, and Elliott, there is reason to suspect that the U.S. was overrepresented in their compilation, even if it actually sent more sanctions than other states during this period.[8] Moreover, as I argue below, its unusual size and domestic political structure may systematically influence the ability of the U.S. to promote cooperation and hence Martin's statistical results.

Types of Sanctions

Another limitation of Martin's study concerns her analysis of the conditions that elicit cooperation among senders of sanctions without respect to the type of sanction being imposed. It has been argued that sanctions' effectiveness is likely to vary depending on whether they rely on commercial, financial, or other instruments.[9] There is also reason to expect that cooperation among senders may differ across various types of sanctions.

[7] Hufbauer, Schott, and Elliott (fn. 1), 4.

[8] On this point, see also Peter A. G. van Bergeijk, "Success and Failure of Economic Sanctions," *Kyklos* 42, no. 3 (1989).

[9] Baldwin (fn. 1); Eileen M. Crumm, "The Value of Economic Incentives in International Politics," *Journal of Peace Research* 32, no. 1 (1955); and Hufbauer, Schott, and Elliott (fn. 1).

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It is widely recognized, for example, that trade sanctions generate rents by altering the supply of and demand for the item being sanctioned. In so doing, they create incentives for senders to circumvent sanctions, and these incentives become stronger as sanctions become more effective. Sanctions that stem the flow of foreign aid, in contrast, generate few economic incentives for senders to cheat: unless recipients are required to use aid to purchase goods produced by their benefactors, these sanctions will yield windfall profits for senders. As a result, aid sanctions may be easier to coordinate and sustain than their commercial counterparts. Also relevant is the fact that financial and foreign aid sanctions require policymakers to control the actions of central banks, aid agencies, and other bureaucracies. While exercising this type of control may prove difficult, such problems pale in comparison to those involved in controlling the myriad private agents engaged in commerce with a given target.

Alternatively, foreign aid sanctions may elicit less cooperation than trade sanctions. As noted above, the former instruments, are likely to be less expensive than the latter instruments, and Martin finds that sanctions involving high costs to the leading sender tend to promote cooperation. In light of these issues, it would be useful to examine whether variations in cooperation occur across different types of sanctions and whether the factors emphasized by Martin influence to varying degrees cooperation among senders of different types of sanctions.

Self-Imposed Costs

Martin's study is one of the first to provide quantitative evidence that links costs borne by states to cooperation among senders of sanctions. She interprets her finding that self-imposed costs by the leading sender are directly and strongly related to the degree of cooperation as supporting the argument that high self-imposed costs bolster the credibility of this state's commitment to the sanctions. This result is quite important in light of the widely held view among scholars of international relations that absorbing large costs augments the credibility of a state's commitment to a given policy.[10]

This relationship, however, also may reflect other factors that Martin does not examine, for example, the tendency of a sender to react to threats to its national security by imposing expensive sanctions. If

[10] On this point, see Baldwin (fn. 1); Robert Jervis, *The Logic of Images in International Relations* (Princeton: Princeton University Press, 1970); Thomas C. Schelling, *The Strategy of Conflict* (Cambridge: Harvard University Press, 1960); and idem, *Arms and Influence* (New Haven, Conn.: Yale University Press, 1966).

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states are willing to assume higher costs to send sanctions that bolster their national security rather than other types of sanctions, then whatever enhanced credibility is generated by high self-imposed costs may actually be due to the nature of (rather than the leading sender's commitment to) sanctions. Turning to the cases that Martin analyzes, this might help to explain why the U.S. and Great Britain were willing to bear higher costs in response to the Afghan and the Falkland Islands invasions, than was the U.S. or its allies in both human-rights cases.

Factors other than the credibility of a leading sender's commitment to sanctions may underlie the relationship between costs and cooperation. For example, sufficiently high costs to a leading sender will undermine its ability to sustain sanctions. Prospective partners have an incentive to free ride on this state's efforts, unless the alternative is the abolition of sanctions in which they have an abiding interest. Thus, the observed relationship between costs and cooperation may be due at least in part to the need for cost sharing among senders once the expense of sanctions that all parties deem important exceeds some threshold.

From Martin's perspective, the issue of whether high costs borne by the leading sender generate cooperation because of the signal sent about its commitment to the sanctions is quite important. To the extent that this relationship is due to some other factor, self-imposed costs may not adequately tap the factors emphasized in coercion games, and Martin's findings may not bear out realist hypotheses concerning sanctions.

To determine why high self-imposed costs generate cooperation among senders, we must also consider the factors underlying a leading sender's initial decision to assume these costs. One such variable is the sender's economic size. All other things being equal, larger and more developed states are better able to assume high costs associated with sending sanctions. These states are also likely to impose sanctions because they derive net welfare gains from doing so, since sufficiently large states can use commercial sanctions to improve their terms of trade. Indeed, Klaus Knorr argues that one central use of instruments of economic leverage such as sanctions is "to extract monopoly profit from market control over a highly valued product."[11] This may help to explain why Hufbauer, Schott, and Elliott find that "the economy of

[11] Klaus Knorr, "International Economic Leverage and Its Uses," in Klaus Knorr and Frank N. Trager, eds., *Economic Issues and National Security* (Lawrence: University Press of Kansas, 1977), 99.

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the sender country is usually very much larger than that of the target country."[12] Thus, states may bear high self-imposed costs not because they signal resolve or commitment to sanctions, but rather because sanctions yield rents in excess of the sanction-related costs.

Domestic political factors are also likely to influence the extent to which states accept high sanction-related costs. Public officials may be dissuaded from imposing sanctions that adversely affect influential interest groups, especially if the structure of domestic institutions renders the officials particularly susceptible to interest-group pressures. Policymakers also may decide to impose sanctions that generate large domestic costs if doing so benefits influential interest groups.[13] This is still another reason why, in contrast to Martin's argument, high self-imposed costs may not reflect a state's commitment to sanctions.

Economic Containment

In *Economic Containment*, Mastanduno addresses the evolution of Western governments' export control policies directed against the Soviet Union and its allies after World War II. He focuses primarily on COCOM, the institution through which Western export controls were organized during this period.

Cooperation among COCOM members varied substantially over time. Little was evident from 1955 to 1957 and from 1969 to 1979, while considerable cooperation existed from 1958 to 1968. From 1980 to 1989 cooperation among members fluctuated. Mastanduno attributes this variation to U.S. leadership, or the lack thereof, and domestic political factors. He finds that the erosion of U.S. hegemony impeded cooperation among senders of multilateral sanctions. However, "[a]lthough relative power matters, other factors—the interests of nonhegemonic states and the leadership capacity of the United States—emerge as critical in determining the nature and extent of cooperation" (p. 9). When the interests of COCOM members diverged, the U.S. was unable to mandate COCOM policies. When their interests converged, effective cooperation required the leadership of the U.S.

In addition to hegemony, Mastanduno also points to the importance of domestic politics to explain variations in cooperation among

[12] Hufbauer, Schott, and Elliott (fn. 1), 63.

[13] On this point, see William H. Kaempfer and Anton D. Lowenberg, *International Economic Sanctions: A Public Choice Perspective* (Boulder, Colo.: Westview Press, 1992).

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COCOM members over time. The U.S. has been characterized by many scholars as a "weak" state, that is, a state that is relatively decentralized and whose policymakers lack autonomy and insulation from pressure groups.[14] In contrast, Mastanduno argues that, in the area of export control policy, the U.S. is not weak. It is, however, fragmented: the executive branch of government has often been divided on matters pertaining to export controls, and Congress has injected itself into these matters despite its delegation of authority over such controls to the executive branch. Mastanduno argues that

> these distinctive structural features of U.S. export control policy have constrained U.S. leadership in COCOM. The combination of a powerful and insulated, yet fragmented state has produced or facilitated patterns of policy behavior that have, in turn, complicated the ability of U.S. officials to carry out the leadership tasks necessary for effective cooperation in COCOM. (p. 28)

Mastanduno's analysis of COCOM also reveals that the extent of cooperation among members has depended on the export control strategies that they pursued. He identifies four strategies through which states can influence the political-military capacity of others: (1) economic warfare is designed to weaken a target by denying it the benefits of economic intercourse; (2) a strategic embargo is designed to prohibit the exchange of goods that directly influence a target's military capacity; (3) tactical linkage strategies reward desired behavior on the part of the target with economic carrots (such as an expansion of commerce) and punish unwanted behavior with economic sticks (such as the termination of economic exchange); and (4) structural linkage strategies rely exclusively on the expansion of economic exchange to influence a target. The choice of strategy, Mastanduno argues, is determined by the target's dependence on the sender and the tenor of political-military relations between them.

Based on his analysis of COCOM, Mastanduno draws a number of conclusions. First, cooperation was sustained only when a strategic embargo was imposed. Economic warfare engendered cooperation only during the Korean War, and tactical linkage was almost wholly

[14] See, for example, Peter J. Katzenstein, "Conclusion: Domestic Structures and Strategies of Foreign Economic Policy," in Peter J. Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978); and Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978). For a qualified dissent from this position, see Helen V. Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (Princeton: Princeton University Press, 1988).

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unsuccessful. Second, common interests among Western nations, who all agreed on the usefulness of export controls on items vested with direct military significance, were insufficient to guarantee cooperation within COCOM. Central to explaining variations in such cooperation is the ability and willingness of the U.S. to lead. Third, its ability and willingness to lead depended in large measure on its relative power in the international system and on the nature of its state-society relations. Particularly important in this regard were the "inconsistent and unpredictable policies in the 1970s and 1980s" (p. 324) that were products of the divided and decentralized executive branch.

Mastanduno provides an immensely rich and detailed account of COCOM that generates many useful insights into both economic statecraft and the formation and maintenance of international regimes. Moreover, his study is one of the few that explicitly treats both the domestic and international sources of cooperation among senders of sanctions, and he makes a compelling case for the need to examine both types of factors in any comprehensive analysis of sanctions. In this vein, Mastanduno offers one of the first explicit attempts to analyze the domestic politics of hegemony, a topic that has received much less attention than it deserves.

The Independent Variables

Mastanduno, however, does not adequately address a number of fundamental issues, which limits the strength of his analysis. First, Mastanduno's study is guided by realism, and it is clear that realists emphasize some of the factors that are highlighted in this book. But it is not clear why other factors that are commonly emphasized by realists, such as those related to alliances, are not considered.

Second, there is little doubt that economic dependence and the political-military relationship between a sender and a target influence the choice of export control strategy. But Mastanduno provides little theoretical justification for his decision to place these factors at the conceptual center of his study. He also fails to indicate the relative weight that each factor should be assigned to explain the choice of strategy or the conditions under which one factor will override another.

Third, some of the independent variables on which Mastanduno focuses are not defined, measured, or operationalized with sufficient rigor. He also provides few data that indicate the extent to which factors such as the relative power of the U.S., economic dependence, political-military relations, or state-society relations vary.

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Alliance Politics

As noted above, Mastanduno does not address directly the role that political-military alliances play in facilitating cooperation within COCOM and in affecting its choice of strategy. This is somewhat surprising, since COCOM was a product of the North Atlantic Treaty Organization (NATO). Mastanduno's analysis clearly demonstrates that the tenor of intra-alliance relations has a considerable impact on COCOM. More generally, it is possible that theories of alliance politics help to explain some of the events analyzed in this book.

Mastanduno's study, for example, indicates that periods in which COCOM's performance declined were associated with widespread complaints among members but not with outright defections from this institution. This tendency is consistent with the view that, in bipolar systems, alliances involving polar powers are structurally determined, and that states engaged in an alliance with a polar power therefore have few opportunities to withdraw from it.[15] As Albert O. Hirschman has pointed out, the absence of exit opportunities in the face of organizational decline is likely to give rise to expressions of dissatisfaction by members.[16] Since COCOM was inexorably tied to NATO, it is not surprising that deterioration in COCOM's performance gave rise to "voice" but not "exit."

During the pipeline controversy, for instance, Mastanduno notes that COCOM faced especially severe strains.

> Trans-Atlantic political relations had dropped to perhaps their lowest point in the postwar era. The sentiment was best captured by French foreign minister Claude Cheysson, who spoke of a "progressive divorce" taking place between the United States and Western Europe. (p. 260)

Yet even in the face of such a severe crisis—threats of a trade war between the U.S. and Western European states and the possibility of COCOM's dissolution—no state exited from the organization. In the absence of exit opportunities, Hirschman's approach leads us to expect a reliance on voice, which helps to explain why heated discussions preceded the resolution of the conflict and the (albeit temporary) resuscitation of COCOM.[17]

[15] On this point, see Joanne Gowa, *Allies, Adversaries, and International Trade* (Princeton: Princeton University Press, 1994); and Glenn H. Snyder, "The Security Dilemma in Alliance Politics," *World Politics* 36 (July 1984).

[16] Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States* (Cambridge: Harvard University Press, 1970).

[17] It should be noted that exit and voice need not exhaust the range of options available to members of international institutions experiencing a deterioration in performance. In the case of COCOM, for example, disgruntled members could simply relax their enforcement of export controls, thereby threatening to compromise COCOM's effectiveness without actually exiting the institution.

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In addition to limiting exit options, bipolar alliances are also likely to be vested with a higher concentration of market power than multipolar alliances since they tend to be comprised of larger and a greater number of states. Under these circumstances, states have an economic incentive to impose trade-related sanctions since doing so can improve their terms of trade. COCOM may therefore have functioned as an institutional device for exploiting the market power possessed by NATO.[18] Although it is obvious that these points are only suggestive, they illustrate how alliance politics might have influenced COCOM.

State-Society Relations

Mastanduno's emphasis on both domestic and international sources of sanctions is unusual and valuable. His analysis of domestic politics, however, centers on a state's strength with respect to societal groups, and he provides no justification for this focus. State-society relations is an important topic, and his analysis of the roles played by state and societal actors in the formation of sanctions is a significant contribution to the literature on this issue. Mastanduno, however, adopts a realist approach, and there is nothing inherent in such an approach that would lead to a focus on the strength of the state vis-à-vis societal actors (or other domestic political factors).

Despite this drawback, Mastanduno's focus on both statist and societal factors represents a significant advance over those studies that adopt pluralist approaches to sanctions.[19] It is widely recognized that domestic institutions regulate the extent to which societal demands are reflected in policy. This suggests that cross-national variations among institutions are likely to affect the degree to which policymakers formulating sanctions accommodate these preferences.[20] One of the most commonly voiced criticisms of societal models of foreign economic policy centers on the need to incorporate factors—including domestic institutions—that regulate the provision of policy.[21] But the omission of such factors is especially troubling in analyses of sanctions, because

[18] See Gowa (fn. 15).

[19] See, for example, Kaempfer and Lowenberg (fn. 13).

[20] On cross-national variations in domestic institutions and their impacts on foreign economic policy, see John A. C. Conybeare, "Tariff Protection in Developed and Developing Countries: A Cross-Sectional and Longitudinal Analysis," *International Organization* 37 (Summer 1983); Peter A. Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca, N.Y.: Cornell University Press, 1986); Katzenstein (fn. 14); Milner (fn. 14); and Ronald Rogowski, "Trade and the Variety of Domestic Institutions," *International Organization* 41 (Spring 1987).

[21] See, for example, Joseph P. Kalt and Mark A. Zupan, "Capture and Ideology in the Economic Theory of Politics," *American Economic Review* 74 (June 1984); and Douglas Nelson, "Endogenous Tariff Theory: A Critical Survey," *American Journal of Political Science* 32 (August 1988).

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sanctions tend to be more closely related to issues of national security than are other issues in foreign economic policy, and matters of national security are often directed to executive agencies that are well insulated from societal pressures.

Mastanduno's study of the domestic politics of sanctions suggests a variety of avenues for further research. First, his analysis points to the need to consider more explicitly the interaction between factors that regulate societal demands for sanctions and institutional factors that govern their supply. For example, there is ample reason to expect that sanctions will be imposed more frequently and with the least internal friction when the interests of state and societal actors converge, a hypothesis that is consistent with Mastanduno's account of the U.S. during the late 1940s and early 1950s.[22]

Second, Mastanduno concludes that the U.S. is a "stronger" state in the area of export control policy than the literature on American foreign economic policy predicts.[23] In the absence of some means of measuring state strength, however, it is not clear how to assess this claim. Further, sanctions are often viewed by policymakers as responses to issues involving national security. Consequently, there is sufficient reason to expect that states are generally stronger in the area of export control policy than in other areas of foreign economic policy that are more susceptible to interest-group pressures. Additional research on these issues would be useful. Additional research on the domestic institutional factors that influence sanctions—especially research that moves beyond a focus on state strength—would also be valuable.[24]

International Institutions and Cooperation among Senders

Central to both Martin's and Mastanduno's books is the issue of whether international institutions facilitate cooperation among senders of sanctions. I argue that international institutions are likely to promote

[22] Mastanduno argues that, during this time, U.S. policymakers advocated economic warfare because they anticipated a protracted conflict with the Soviet Union. U.S. firms had similar preferences because they had little economic stake in Eastern Europe and the Soviet Union. They also did not want to be viewed as cozying up to the enemy if they pushed for more open economic relations with the Eastern bloc.

[23] See, for example, Stephen D. Krasner, "Domestic Constraints on International Economic Leverage," in Knorr and Trager (fn. 11).

[24] For a discussion of some analytical limitations of the concept of state strength, see G. John Ikenberry, David A. Lake, and Michael Mastanduno, "Introduction: Approaches to Explaining American Foreign Economic Policy," *International Organization* 42 (Winter 1988); and Milner (fn. 14).

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cooperation, but at least three factors, which are not treated in sufficient depth in either study, are likely to influence their ability to do so.

First, domestic political factors are likely to influence cooperation among parties to an international institution. Yet Martin takes no account of domestic politics in her formal and statistical analysis, while Mastanduno's analysis of this topic centers on state strength, which is only one feature of domestic politics. Further, both studies focus on sanction episodes involving the U.S., a result, in Martin's case, of her choice of data; and for Mastanduno, of the nature of his case study. But the unusual political strength, economic size, and domestic political structure of the U.S. may limit the reliability of generalizations based on a sample in which this country is systematically overrepresented.

Second, Martin treats all institutions as homogeneous, whereas Mastanduno focuses on a single institution for the purposes of explaining patterns of cooperation. Both strategies court problems, since it is clear that not all institutions are equally suited to promote cooperation and that the types that are well suited in this regard will vary based on the nature of the sanction being imposed.

Third, the distribution of power within institutions is likely to influence patterns of cooperation. Both studies examine the effects of hegemony on cooperation, but neither provides an adequate analysis of this relationship or of the distribution of power within institutions. This is a serious limitation because a number of theories that each study purports to test place a heavy emphasis on these issues.

Domestic Politics of Members of International Institutions

One factor that is likely to affect the extent to which international institutions facilitate cooperation is the domestic politics of their members. Martin "speculate[s] that, in general, economic sanctions that result from domestic political motivations are less likely to become multilateral than those that are a reaction to specific outside events" (pp. 129–30). Multilateral support for sanctions imposed by the leading sender solely to placate a domestic constituency is probably more difficult to generate than support for sanctions imposed to address a foreign policy matter with implications for various senders. This may help to explain why, as Mastanduno argues, cooperation within COCOM has declined in those periods where other members felt that the U.S. was trying to use this institution to reap competitive advantages over firms located in other members. If these policies are out-

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growths of domestic political pressure exerted by U.S. firms, there is little incentive for other members to cooperate with the U.S. on these sanctions. This may also help to explain why Martin argues that states sometimes have an incentive to impose ineffective sanctions to quiet vocal domestic constituencies by "doing something," while at the same time, avoiding the imposition of injury on the target.[25]

Domestic political factors also affect the ability of international institutions to promote cooperation through their influence on the reputation of actors and the credibility of their threats and promises.[26] In addition to self-imposed costs, Martin argues that using institutions to coordinate sanctions helps to enhance the credibility of senders' commitments to them. Failing to comply with sanctions is likely to generate reputational (and other) costs to recalcitrant members. But it is clear that domestic factors may limit the ability of states to abide by international commitments, especially if they impose costs on influential interest groups or generate conflicts among various governmental agencies. For example, Martin points out that "divisions . . . within the [U.S.] government raise serious questions of credibility and intentions when Washington undertakes coercive actions or promises benefits to gain cooperation" (p. 177). These divisions may inhibit the ability of the U.S. (or other states with similar problems) to foster cooperation among senders, even when it attempts to do so via an international institution.

More generally, both societal and statist factors are likely to affect a leading sender's ability to meet commitments that entail costs and that are made within an international institution. These factors also influence a sender's willingness to assume high self-imposed costs, an issue which both Martin and Mastanduno link to cooperation. The ability of policymakers to assume high costs associated with sanctions depends in large measure on whether the interests of societal actors converge with the national interest. Like any other facet of international economics, sanctions have distributional consequences within states.[27] If sanctions confer benefits on influential interest groups and are perceived by policymakers as maximizing social welfare, countries are likely to be willing to bear high self-imposed costs to facilitate cooperation on sanctions. If public officials are well insulated from interest groups, they may choose to assume high costs associated with the imposition of sanctions, even if sanctions do not benefit powerful societal

[25] On this point, see also Kaempfer and Lowenberg (fn. 13).

[26] See Helen V. Milner, "International Theories of Cooperation among Nations: Strengths and Weaknesses," *World Politics* 44 (April 1992).

[27] On this point, see Thomas O. Bayard, Joseph Pelzman, and Jorge Perez-Lopez, "Stakes and Risks in Economic Sanctions," *World Economy* 6 (March 1983); and Kaempfer and Lowenberg (fn. 13).

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groups. But if domestic institutions render policymakers susceptible to interest-group pressures and limit the autonomy of public officials, and if influential interest groups perceive that they will be harmed by sanctions, it seems unlikely that a country will bear high costs.[28]

The interaction between institutions and the factors—domestic and otherwise—that lead states to assume these costs may therefore be an important determinant of patterns of cooperation. Martin and Mastanduno both tend to neglect this issue, and this oversight is one of the chief weaknesses of their studies.

In addition, the tendency of both studies to focus on sanctions led by the U.S. may yield results that understate the importance of international institutions. As noted above, the data on which Martin relies are largely comprised of sanctions led by the U.S., and, by virtue of his focus on COCOM, Mastanduno centers almost exclusively on the U.S. Further, although Mastanduno concludes that the U.S. is a stronger state in the area of export control policy than previous studies imply, Stephen D. Krasner, for example, argues that it is still weaker in this area than most other advanced industrial countries and all authoritarian polities.[29] In the case of COCOM, the perceived importance of export controls for national security would have been expected to limit substantially the ability of interest groups to affect policy. Both Mastanduno and Krasner point out, however, that such groups were often quite influential. For the reasons discussed above, the susceptibility of U.S. policymakers to what were often potent interest-group pressures and the divisions within the U.S. government may have substantially hampered the country's ability to foster cooperation among senders of sanctions within international institutions. Thus, studies that focus less on the U.S. and more on states vested with less porous domestic institutions might yield greater evidence that international institutions facilitate cooperation.

Types of Institutions and Strategies

Certain attributes of an international institution are also likely to influence the degree to which the institution promotes cooperation among senders of multilateral sanctions. Variations in cooperation may, for example, be due to differences in the internal structures of institutions. In this vein, Martin argues that one reason why international institu-

[28] Of course, it is also possible that policymakers will be able to use international commitments to bind themselves, thereby convincing societal actors that they have little ability to accommodate those actors who have an interest in abrogating existing international agreements. On this point, see Schelling, *The Strategy of Conflict* (fn. 10), esp. chap. 2; and Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (Summer 1988).

[29] Krasner (fn. 23).

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tions were not successful in forging cooperation in the case of Latin American human rights sanctions was that the Multilateral Development Bank (the set of institutions through which the U.S. Congress tried to tie authorizations of aid to human rights issues) had "voting rules [that] made it impossible for the United States to create linkage unilaterally" (p. 113). More generally, the formality of regimes, voting rules, and other factors will, as both Martin and Mastanduno point out, affect the efficacy of an institution in generating cooperation.

The scope of international institutions may also influence their ability to promote cooperation on sanctions. The broader the range of issues that a given institution regulates, the greater the number of issues to which compliance to sanctions can be linked. On the one hand, there is reason to expect that as this number increases so too will the costs of noncompliance, thereby enhancing cooperation. On the other hand, as this number increases so too do the costs of monitoring and coordinating sanctions, thereby hampering cooperation. Although the research strategies pursued by Martin and Mastanduno did not lend themselves to the analysis of these issues, an institution's scope may nonetheless prove to be an important determinant of patterns of intrainstitutional cooperation.

Finally, the type of strategy that is chosen may contribute to variations in cooperation among senders of sanctions. Institutions that lack a political-military component, for example, are unlikely to meet with much success in practicing economic warfare. Mastanduno's study indicates that the broader political-military relationship among senders and between sender and target may have important implications for the type of strategy that is chosen. Structural, and to a lesser degree tactical, linkage strategies (which involve expanding trade with a target) are more likely to be employed by a sender against a target with whom it is allied.

As Joanne Gowa argues, free trade produces gains from trade that can be used to bolster the military capacity of all commercial partners. Since alliances help to internalize these security externalities, allies have incentives to pursue more liberal trade policies than potential or existing adversaries.[30] This suggests that structural linkage strategies are preferable forms of economic statecraft among allies, because they serve to bolster the security of targets by generating and internalizing the security externalities produced by free trade. Indeed, this argument is consistent with Mastanduno's view that structural linkage is most

[30] Gowa (fn. 15).

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likely to be used: (1) when a sender is economically dependent on a target, (2) when political relations between them are cooperative, and (3) when military competition between them is declining. Each of these conditions is likely to characterize relations between allies.

This argument also suggests that strategies employed in interalliance sanctions may vary depending on perceptions of the magnitude of the security externalities generated by trade. Mastanduno points out that the abandonment of economic warfare by the U.S. and the adoption of both a selective strategic embargo and tactical linkage during the 1970s was accompanied by a shift in thinking by the Department of Defense (DOD) about the impact of international trade on Soviet military power. Whereas the DOD earlier had believed that spillovers between civilian and military sectors in the Soviet Union (and hence the magnitude of the security externalities arising from Western trade with the Soviet Union) were substantial, it came to believe that these impacts were quite modest (pp. 200–202.) By 1980, however, these estimates were revised anew: fears that these spillovers had been larger than anticipated during détente accompanied what were ultimately unsuccessful U.S. efforts to renew economic warfare (p. 228). Western European governments opposed these efforts on the grounds that the economic and military sectors in the Soviet Union had little bearing on one another and that spillovers between them (and the attendant security externalities) were therefore quite modest (pp. 241–42). Thus, perceptions of the security externalities generated by trade may have important implications for the strategy that is used in interalliance sanctions. More generally, the points raised here reinforce the argument made earlier that Mastanduno's study could have benefited from an explicit analysis of alliance politics, including the influences of alliances on cooperation among members of COCOM and the choice of strategy on which they relied.

The Distribution of Power among Members of an Institution

The distribution of power among members of an international institution is likely to further influence the ability of the institution to facilitate cooperation on sanctions. A large and well developed literature exists on the effects of power relations among members on the performance of international institutions.[31] Much of this literature concludes

[31] See, for example, Robert Gilpin, *U.S. Power and the Multinational Corporation* (New York: Basic Books, 1975); idem, *War and Change in World Politics* (New York: Cambridge University Press, 1981); Keohane (fn. 4); Duncan Snidal, "The Limits of Hegemonic Stability Theory," *International Organi-*

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that international institutions vested with a preponderantly powerful member tend to produce disproportionately greater amounts of output than other types of institutions.

Although such institutions are advantaged in their ability to provide collective goods, they do not necessarily foster greater cooperation among members. Some scholars argue that institutions of this sort are likely to generate more joint action among members because a preponderantly powerful member can coerce weaker members into contributing to the provision of group goods. Other analysts, however, maintain that such institutions generate little cooperation due to the incentives for free riding on the part of less powerful states.[32] Still others suggest that, under certain circumstances, small groups of states can promote cooperation among members of an institution to much the same extent as a hegemon.[33] Indeed, these issues have been debated at great length by hegemonic stability theorists and their critics. They have also been addressed in a number of studies focusing on economic sanctions.[34] It would have been useful, therefore, for Martin and Mastanduno to consider more fully the effects of the interaction between international institutions and the distribution of power on patterns of cooperation.[35]

While neither study considers this topic in sufficient depth, both Martin and Mastanduno do analyze the effects of hegemony—which is one feature of the distribution of power—on cooperation among senders of sanctions. Martin's analysis of hegemony centers on two variables: (1) whether or not the U.S. was the leading sender of a sanction, and (2) time. She considers the first variable because it is widely

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zation 39 (Autumn 1985); and Stephen D. Krasner, "Global Communications and National Power: Life on the Pareto Frontier," *World Politics* 43 (April 1991).

[32] Among the many studies addressing this issue, see Gilpin (fn. 31, 1981); idem, *The Political Economy of International Relations* (Princeton: Princeton University Press, 1987), chap. 3; Keohane (fn. 4); Charles P. Kindleberger, *The World in Depression, 1929–1939* (Berkeley: University of California Press, 1973); idem, "Dominance and Leadership in the World Political Economy: Exploitation, Public Goods, and Free Riders," *International Studies Quarterly* 25 (June 1981); and Snidal (fn. 31).

[33] See, for example, Keohane (fn. 4); Kenneth A. Oye, "Explaining Cooperation under Anarchy: Cooperation and Strategies," in Kenneth A. Oye, ed., *Cooperation under Anarchy* (Princeton: Princeton University Press, 1986); and Snidal (fn. 31).

[34] See, for example, Beverly Crawford and Stefanie Lenway, "Decision Modes and International Regime Change: Western Collaboration on East-West Trade," *World Politics* 37 (April 1985); and Bruce W. Jentleson, *Pipeline Politics: The Complex Political Economy of East-West Energy Trade* (Ithaca, N.Y.: Cornell University Press, 1986).

[35] It should be pointed out that Mastanduno does argue that U.S. leadership facilitated cooperation within COCOM. However, because he focuses on the power of the U.S., Mastanduno does not analyze the extent to which variations in cooperation within COCOM depended on power relations among all of its members.

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argued that the U.S. was hegemonic during some portion of the period after World War II.[36] Martin considers the second variable because she assumes implicitly that U.S. hegemony eroded in a monotonic fashion during this period. She finds that the U.S. has elicited less cooperation than other leading senders and that its ability to foster cooperation has improved over time. In Martin's opinion, both findings are at odds with predictions based on hegemonic stability theory.

Mastanduno's analysis of hegemony centers on the extent to which cooperation among members of COCOM varied depending on the relative power of the U.S. He concludes that U.S. hegemony offers a partial explanation for variations in cooperation. The U.S. was unable to determine COCOM's strategy, regardless of its relative position in the global system. But when the preferences of the U.S. and other members of COCOM converged, the U.S. was able to use its leadership capacity to facilitate cooperation.

Neither study, therefore, attributes substantial importance to hegemony for the purposes of coordinating sanctions. This finding is crucial—especially for Martin—because it disarms the commonly voiced charge among realists that the observed effects of international institutions are epiphenomenal of the distribution of power.

Yet neither study's tack in this regard is wholly adequate. One problem concerns the measurement of hegemony. Martin assumes that hegemony has declined monotonically over time. The extent to which this is the case, however, is an empirical matter that warrants a more thorough treatment than she provides. A number of observers have argued that U.S. power has not declined in a manner consistent with that postulated by Martin.[37] Mastanduno also casts doubt on her position, maintaining that the U.S. possessed the capacity to lead COCOM through the 1980s. He suggests that "a more cautious approach [is needed] to the common linear generalization that the United States dominated outcomes during the 1950s and 1960s yet became less capable of doing so as its power resources declined during the 1970s and 1980s" (p. 312).

[36] See, for example, Gilpin (fn. 31, 1981); idem (fn. 32); Keohane (fn. 4); Kindleberger (fn. 32); Stephen D. Krasner, "State Power and the Structure of Foreign Trade," *World Politics* 28 (April 1976); Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990); and A. F. K. Organski and Jacek Kugler, *The War Ledger* (Chicago: University of Chicago Press, 1980).

[37] See, for example, Jacek Kugler and A. F. K. Organski, "The End of Hegemony?" *International Interactions* 15, no. 2 (1989); Bruce M. Russett, "The Mysterious Case of Vanishing Hegemony," *International Organization* 39 (Spring 1985); and Susan Strange, "The Persistent Myth of Lost Hegemony," *International Organization* 41 (Autumn 1987).

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Mastanduno, though, also fails to address the effects of hegemony adequately. He provides neither a definition nor a measure of hegemony. He refers to power resources when discussing hegemony but never mentions those that should serve as our focus or demonstrates that U.S. resources declined precipitously during the 1970s and 1980s.

In fairness, these authors are hardly alone. Problems associated with the definition, measurement, and operationalization of hegemony have hampered many efforts to assess its impact on international outcomes.[38] These problems, however, limit the confidence that can be placed in Martin's and Mastanduno's findings on the relationship between hegemony and cooperation among senders of sanctions.

Moreover, even taken at face value, it is not clear that their results refute various hypotheses concerning the effects of hegemony on cooperation. As noted above, a number of influential studies suggest that nonhegemonic states will free ride on a hegemon's efforts to provide collective goods,[39] which implies that a hegemon will elicit less cooperation than other leading senders. Sanctions led by a hegemon, however, may be more fully provided than those led by other states due to its disproportionate resources.

Martin's finding that the U.S. attracted less cooperation than other leading senders during the period after World War II seems entirely consistent with this variant of hegemonic stability theory.[40] So too is Mastanduno's argument that the U.S. continued to practice economic warfare after the conclusion of the Korean War as a signal of its resolve vis-à-vis the Soviets, but that it did not, as a more coercive strand of hegemonic stability theory might predict, attempt to strong-arm its allies into maintaining this policy. Further, from 1958 to 1968, which is widely regarded by hegemonic stability theorists as the height of American preponderance, the U.S. minimized costs to other members of COCOM by accepting a narrower list of restricted goods than it

[38] On this point, see Edward D. Mansfield, *Power, Trade, and War* (Princeton: Princeton University Press, 1994).

[39] See, for example, Gilpin (fn. 31, 1981); idem (fn. 32); and Kindleberger (fn. 32).

[40] Further, in combination with Hufbauer, Schott, and Elliott's conclusion that cooperation among senders tends to be inversely related to the amount of economic damage senders impose on a target, Martin's results suggest that hegemons tend to impose sanctions that both generate less cooperation and are more successful than is the case when smaller states are the leading sender. Hufbauer, Schott, and Elliott also find that sanctions imposed by the U.S. are far more successful prior to, than after, 1973. Since this is roughly the date at which many analysts mark the end of American hegemony, these results also support the view that hegemons impose more effective sanctions than their smaller counterparts. Indeed, Hufbauer, Schott, and Elliott explicitly endorse this view. These findings also cast doubt on Martin's position that her results contradict hegemonic stability theory. See Hufbauer, Schott, and Elliott (fn. 1).

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would have preferred and opted not to impose measures that could have ameliorated problems of transshipment of high-technology goods to the Soviets via other members at the expense of "significantly disrupt[ing] intra-Western trade" (pp. 114–15, 123). These events suggest that the U.S. was willing to bear a disproportionate share of the costs associated with sanctioning the Soviet Union during this period.

Although there is reason to expect that hegemons will generate disproportionately less cooperation than other leading senders, as Robert Gilpin points out, hegemons are likely to behave in an increasingly predatory manner as their power erodes.[41] Under these conditions, a hegemon is likely to contribute less to the provision of sanctions and to coerce other states into sharing the associated costs. If the leading sender is nonhegemonic, much less of any given sanction will be provided; the remaining senders must either contribute to the provision of sanctions or face the prospect of free riding on sanctions that will be ineffective. Martin's finding that the U.S. has elicited more cooperation over time accords with the view that American hegemony has eroded over time and that declining hegemons are both less able to unilaterally provide sanctions and more likely to coerce others to share in their provision than stable hegemons. Further, Mastanduno demonstrates that the U.S. placed increasing pressure on COCOM members to support its preferred policies during the 1980s, which is regarded by many scholars as a period of hegemonic decline. This outcome also seems consistent with the line of argument advanced by Gilpin and others.

It was noted earlier that the type of sanction imposed may influence the extent of cooperation among senders. In the same vein, hegemons in decline may discriminate among sanctions they provide based on their type. Foreign aid sanctions, for example, provide a windfall for senders because they forgo aid payments to a target. Unless this aid is tied to the purchase of goods from the sender, such sanctions are likely to be especially attractive instruments for declining hegemons facing economic difficulties. Trade sanctions, however, are likely to impose far greater costs on the sender. Import sanctions may generate deadweight losses unless the sender possesses some monopoly power in the item being sanctioned. Export sanctions impose costs on producers that depend on sales to the target or that would prefer to cultivate commercial relations with this state. This suggests that declining hegemons are likely to impose sanctions that tend to generate economic benefits; for

[41] Gilpin (fn. 32), 89.

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example, sanctions involving foreign aid or commerce in the event that a hegemon is vested with the ability to influence its terms of trade. Like most of the research on sanctions, Martin and Mastanduno pay little attention to variations across types of sanctions, but it would be useful to examine this issue in further studies.

Capture, International Institutions, and Sanctions

Thus far, I have argued that international institutions tend to promote cooperation among members sending sanctions, but that the extent of cooperation depends on domestic politics, the nature of the institution and the sanctions being imposed, and the distribution of power among members. I noted at the outset that obstacles to cooperation among senders diminish the effectiveness of multilateral sanctions. Both Martin's and Mastanduno's studies provide considerable insights into how these obstacles can be hurdled.

The amelioration of problems associated with cooperation, however, does not necessarily ensure that sanctions will impose substantial economic damage on a target. Although both Martin and Mastanduno explicitly avoid discussing the conditions that affect the economic damage that sanctions impose, one influential study concludes that "on average, the degree of international cooperation is actually somewhat less in successful than in failed cases" of sanctions.[42] In combination with Martin's (and to a lesser degree Mastanduno's) results, this suggests that sanctions imposed via an international institution both facilitate cooperation and reduce the economic damage imposed on a target.

One possible explanation for this tendency is that senders attempt to enlist support for sanctions that are designed to achieve especially ambitious objectives via international institutions. As the objectives of sanctions become increasingly ambitious, it becomes particularly useful to have an institutional setting within which to link compliance on sanctions with other issues that fall under the institution's purview. An institution can also facilitate negotiations over the distribution of sanction-related costs and benefits, the type and intensity of the sanctions, and other matters. At the same time, sanctions designed to attain particularly ambitious goals are intrinsically less likely to succeed and more likely to require the coordination of a large number of states, which also augurs poorly for their success.

However, Martin's results cast doubt on the hypothesis that the ob-

[42] Hufbauer, Schott, and Elliott (fn. 1), 95–96.

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jectives of sanctions are linked to the degree of cooperation that they elicit. She maintains that sanctions designed to affect major policy changes and those associated with the cold war are likely to involve especially ambitious goals. Yet Martin finds no evidence that either of these factors is related to patterns of cooperation among senders or that the goals of sanctions account for the relationship between institutions and cooperation.

Capturing International Institutions

International institutions may also both facilitate cooperation among senders and predispose sanctions to fail. I argue that this outcome is likely to occur if international institutions are susceptible to capture by states and/or special interests within states. Rather than enhancing the aggregate welfare of members, actors that have captured an institution have an incentive to use it as a vehicle to facilitate cooperation among states to further their perceived interests.[43] Viewed in this light, sanctions coordinated by an international institution may be relatively ineffective because they are imposed to further the interests of those parties that have captured the institution rather than to maximize the economic damage exerted on, or the clarity of a signal to, a target.

The theories advanced by George J. Stigler, Sam Peltzman, and Gary S. Becker have focused on capture of a similar sort.[44] Most applications of these theories have dealt with the domestic political economy, but they may also provide insights into the study of international institutions. Bruno S. Frey, for example, argues that

> the characteristics of bureaucracies [that render them susceptible to capture] are more pronounced in the international than in the national setting. The main reason is that international bureaucracies have greater room for discretionary action because neither the opportunity nor the incentive to control these bureaucracies exists.[45]

It has also been alleged that international bureaucracies tend to be particularly large and bloated. Because collective-action problems limit

[43] On this issue, see Edward D. Mansfield, "Alliances, Preferential Trading Arrangements and Sanctions," *Journal of International Affairs* 48 (Summer 1994).

[44] See George J. Stigler, "The Theory of Economic Regulation," *Bell Journal of Economics and Management Science* 2 (Spring 1971); Sam Peltzman, "Toward a More General Theory of Regulation," *Journal of Law and Economics* 19 (August 1976); and Gary S. Becker, "A Theory of Competition among Pressure Groups for Political Influence," *Quarterly Journal of Economics* 98 (August 1983). For an excellent overview of this literature, see Sam Peltzman, "The Economic Theory of Regulation after a Decade of Deregulation," *Brookings Papers on Economic Activity* (1989).

[45] Bruno S. Frey, "The Public Choice View of International Political Economy," in Roland Vaubel and Thomas D. Willett, eds., *The Political Economy of International Organizations: A Public Choice Approach* (Boulder, Colo.: Westview Press, 1991), 18–19.

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the incentives for member states to oversee their behavior, these bureaucracies are often far more autonomous than is usually recognized.[46] These features enhance the susceptibility of certain international institutions to capture.

The tendency for international institutions to obscure the costs of their policies to constituents also increases their vulnerability to capture. The relative ease with which international institutions can regulate the flow of information regarding their activities contributes to this tendency by hindering the ability of those constituents who bear the brunt of the costs of the institution's activities to accurately assess these expenses.[47] Further, international institutions are often able to disperse the costs associated with their actions more widely than, for example, national governments. This also impedes the ability of constituents to assess these costs and exacerbates the tendency for small, well-organized groups to exploit large, diffused groups that face serious collective-action problems.[48]

States and interest groups within states have an incentive to capture international institutions because they can generate power for those that control them. Actors that gain power within an institution have the ability to set its agenda and influence the distribution of benefits and costs among members. As Charles Perrow argues, "Organizations generate power; control and use of that power are vital organizational issues."[49] And Krasner maintains that, within international institutions, "power is exercised not to facilitate cooperation but to secure a more favorable distribution of benefits."[50]

It is obvious that international institutions will vary considerably in their susceptibility to capture based on their internal structures, the power relations among the actors that comprise them, and a host of other factors. But since at least some international institutions possess attributes that render them especially prone to capture, it is not surprising that a variety of studies have concluded that they do, in fact, readily supply favors to pressure groups.[51]

Indeed, examples of captured international institutions are not difficult to locate. Peter M. Haas's analysis of international environmental

[46] Ibid., 19; and Roland Vaubel, "A Public Choice View of International Organization," in Vaubel and Willett (fn. 45).

[47] See Vaubel (fn. 46).

[48] See Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge: Harvard University Press, 1971).

[49] Charles Perrow, *Complex Organizations: A Critical Essay*, 3d ed. (New York: Random House, 1986), 11.

[50] Krasner (fn. 31), 362.

[51] See, for example, Vaubel (fn. 46).

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politics, for example, suggests that the United Nations Environment Program (UNEP) was captured by marine scientists with an interest in promoting environmental protection. UNEP, in turn, facilitated the capture of domestic regulatory agencies bearing on environmental protection in member states by marine scientists and others sympathetic to the need for greater environmental protection.[52] In addition, Krasner's study of North-South relations implies that less developed countries managed to capture certain international regimes.[53] Further, Robert W. Cox and Harold K. Jacobson suggest that states often capture international organizations, enabling them to preserve or bolster their political power in the issue-area regulated by the organization in question.[54]

A complete treatment of the extent to which institutional capture has impeded the effectiveness of sanctions is beyond the scope of this essay. But anecdotal evidence based on Martin's and Mastanduno's studies suggests that capture (or the perception thereof by members of an international institution) may, for example, have impeded COCOM's activities. One of the central institutional features of COCOM was the power with which the U.S. was vested, including the authority to veto unilaterally proposals made by other members.[55] Martin notes that, during the 1970s,

> the Europeans and Japanese began to suspect that the United States was cheating, using COCOM to gain commercial advantages by vetoing others' sales while approving sales from its own firms. Therefore the institution lost some of its value. (p. 190)

Mastanduno points out that throughout the post–World War II era, "U.S. officials established a pattern of neglecting their leadership responsibilities and of abusing their privileged position in COCOM" (p. 10). This neglect took a number of forms. For example, the U.S. "manipulated" COCOM controls in order to punish targets (p. 29), and it gained the reputation of "a state that seeks to use its privileged position in COCOM to hamper the performance of foreign firms competing with those based in the U.S." (p. 33). This reputation took hold in the early 1960s after the U.S. forced West Germany to break contracts with the

[52] Peter M. Haas, *Saving the Mediterranean: The Politics of International Environmental Cooperation* (New York: Columbia University Press, 1990).

[53] Stephen D. Krasner, *Structural Conflict: The Third World against Global Liberalism* (Berkeley: University of California Press, 1985).

[54] Robert W. Cox and Harold K. Jacobson, *The Anatomy of Influence: Decision Making in International Organization* (New Haven, Conn.: Yale University Press, 1974).

[55] In principle, all members of COCOM can veto changes in the list of controlled items. However, Mastanduno argues that "The practical veto power . . . [within COCOM] has been held by the United States" (p. 22).

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Soviet Union that called for the delivery of wide-diameter pipe, a bottleneck item for the Soviets that could also be used to export oil to Western Europe. U.S. oil firms had a well-established interest in limiting the flow of petroleum products to Western Europe from other sources. This interest and the subsequent wheat sale by the U.S. to the Soviet Union created the impression on the part of West Europeans that the U.S. was using COCOM unfairly to enhance the prospects of American firms.

The perceived abuse of COCOM by the U.S. continued throughout the 1970s. For example, the vast majority of denials by COCOM for exceptions to export controls made by members came as a result of U.S. vetoes. At the same time, the U.S. submitted more requests for exceptions than any other member of COCOM, requests that other members found difficult to deny (Mastanduno, 175–76). And, although Mastanduno argues that COCOM witnessed a resurgence in the mid-1980s (due to renewed leadership on the part of the U.S.), events such as the infamous pipeline sanctions perpetuated the view among its allies that the U.S. was manipulating COCOM for its own economic advantage.

Exit, Voice, and Capture

The capture of an international institution has a number of implications for present purposes. Most important is the fact that captured organizations tend to be less efficient at carrying out the objectives of the group as a whole than their noncaptured counterparts. As such, capture can precipitate the decline in an institution's performance. Moreover, both exit and voice tend to be stifled in captured international organizations: this, in turn, hampers their ability to recover from the erosion of their performance.[56]

Additionally, it is useful to consider how these factors impeded COCOM. As noted above, bipolar systems afford few exit options for major states that are dissatisfied with existing alliances. COCOM was inexorably intertwined with NATO, leaving voice as the primary means through which COCOM could be revived when its performance suffered. Episodes such as the Ottawa Summit, which was held in 1981 in response to increasing frictions regarding the pipeline dispute, provide ample evidence that voice was used often in efforts to redress problems within COCOM. At this summit, "Member states did agree

[56] See, for example, Vaubel (fn. 46); and Bruno S. Frey and Beat Gygi, "International Organizations from the Constitutional Point of View," in Vaubel and Willett (fn. 45).

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that COCOM needed to be revitalized," and voice was the primary vehicle used to this end. On the heels of this summit, members decided that the control list should be expanded, enforcement should be improved, and steps should be taken to strengthen "COCOM's institutional structure" (Mastanduno, 243, 268). Thus, voice was used in an attempt to forestall further institutional decay within and to revitalize COCOM.

However, COCOM's institutional structure limited the extent to which revitalization could take place. As Mastanduno argues, "The compromise struck in the late 1940s, establishing an informal regime that maximized the national discretion of its members, rendered more difficult the revival of COCOM in the 1980s" (p. 277). There is also evidence that the capture of COCOM limited the recourse to voice and led to the organization's decline. Mastanduno points out that a deal struck in 1952 by West European and U.S. officials that increased the number of items to be controlled in exchange for granting a number of exceptions requested by some members "inadvertently worked to the long-run detriment of the multilateral regime" (p. 88). By legitimizing exceptions to what had been an unconditional embargo list and politicizing the regime, COCOM provided "pork" to its members that both muted the opposition to COCOM policies and sowed the seeds of its decline. The erosion of U.S. leadership during the 1970s and portions of the 1980s also contributed to this end. As noted above, the U.S. behaved in a far more predatory manner during that time than it had earlier: it requested and received an increasing number of exceptions to the control list, it was viewed as using COCOM to enhance the competitive opportunities available to U.S. firms, and it engaged in increasingly frequent and heated disputes with other members. These factors, in combination with the limited exit opportunities available for disgruntled members, dampened the willingness of the U.S. to take the steps necessary to revive the moribund institution.

Clearly, this brief discussion can only be taken as suggestive of the extent to which international institutions have been captured and how capture has impeded multilateral sanctions efforts. Nonetheless, the anecdotal evidence available in the books reviewed here suggests that certain institutions may have been captured and that this, in turn, reduced their ability to impose sanctions that maximize economic damage. The argument advanced here is also consistent with Martin's observation that "institutions can strengthen cooperation on sanctions, but the practice of sanctions can weaken institutions" (p. 246). This is especially likely to occur if an institution is being used by a member to further its interests rather than to promote the welfare of all or most

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members. This topic has not been treated adequately in the extant literature on international organization and warrants further research.

Conclusions

Economic sanctions have long occupied the attention of both scholars and policymakers. These instruments of economic statecraft have been used with increasing regularity and recent events strongly suggest that this tendency will persist in the post–cold war era. Despite the widespread use of sanctions by policymakers, many scholars have concluded that these instruments are ineffective. One of the principal sources of their alleged ineffectiveness is the need for sanctions to be multilateral and the inherent associated problems. Both Martin's and Mastanduno's books make valuable contributions to the literature on how to facilitate cooperation on multilateral sanctions.

Central to promoting cooperation are international institutions; however, the extent to which institutions augment cooperation is likely to depend on the domestic politics of members. Governments that are internally divided or that are especially susceptible to interest-group pressures are likely to experience difficulty meeting obligations negotiated within an international institution that will impose distributional costs on various domestic constituencies. The type of institution and strategy being pursued are also likely to influence the degree to which international institutions foster cooperation among senders of sanctions. Institutions that, for example, lack any political-military arm are poorly positioned to coordinate a strategy of economic warfare, though they may be especially well suited to coordinate strategies of tactical or strategic linkage. Finally, the distribution of power among members is likely to influence patterns of cooperation within an international institution. These points suggest that, as both Martin and Mastanduno note, a better understanding is needed of how factors emphasized in realist and neoliberal institutional theories and international and domestic models can be combined to explain more fully patterns of international relations.

While Martin and Mastanduno have made significant contributions to our understanding of cooperation among senders of multilateral sanctions, they treat the issue of what promotes the effectiveness of sanctions only in a peripheral manner. It would be useful to apply the insights generated from these valuable books to assess whether the same factors that account for cooperation on multilateral sanctions also account for their effectiveness.

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I have argued that one factor that may influence the effectiveness of sanctions that are organized by an international institution is the likelihood that it will be captured by members or special interests within them. While institutions often promote the social welfare of members, additional research that investigates the conditions under which institutions are likely to be captured and the implications of institutional capture for their performance may prove useful to scholars of international relations and economic statecraft.

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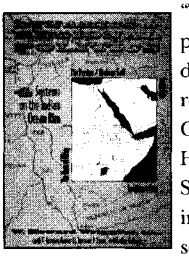

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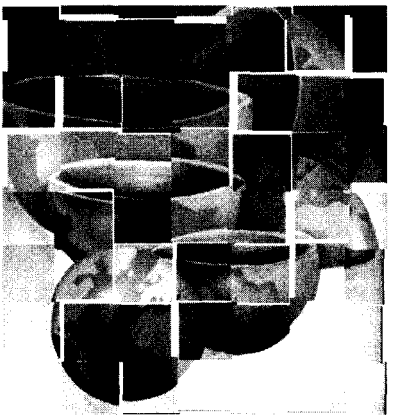

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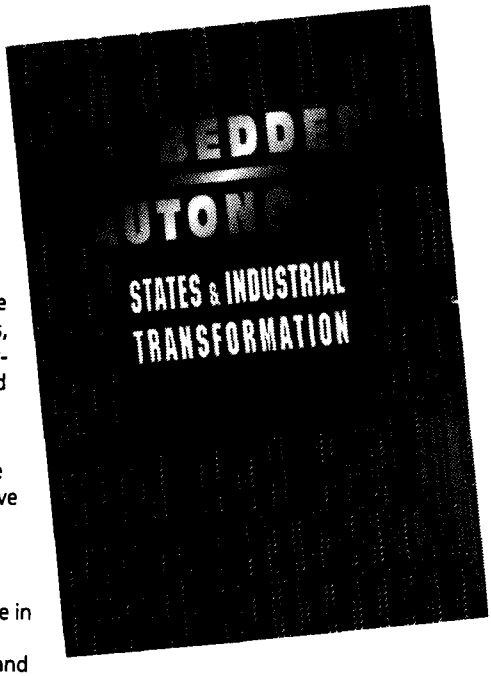

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